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ABSTRACT

This report presents the results of an evaluation of state workfare programs created since 1981, when Congress authorized work program options that let State Aid to Families with Dependent Children (AFDC) agencies experiment with new approaches. The report, divided into seven chapters, focuses on program characteristics, participants, how the programs prepare participants for work, the extent of provision and effectiveness of support services, the programs' results to date, problems with assessing their effectiveness, and implications of the findings for Federal policy. The major finding reported is that the variety of work program options has given states the flexibility to tailor their programs to local need, but that multiple legislative authorizations have resulted in a patchwork of administrative responsibilities and lack of overall program direction. Further, the disparate levels of Federal matching funds across programs limit states' ability to match work program options with participants' needs. Program authorizations could be consolidated and funding levels made consistent across programs without reducing state flexibility. To serve more participants, programs spread their limited funds thinly, but the study found that only a minority of adult AFDC recipients were served in 1985, excluding many with young children or severe barriers to employment. Evaluations of the work programs have shown modest positive effects on the employment and earnings of participants, but wages were often insufficient to boost participants off welfare. Appendices include the study instrument, a breakdown of program characteristics by state, and a description of work program activities. A bibliography and numerous statistical tables are also provided. (KH)

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United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-219521

January 29, 1987

The Honorable Ted Weiss
Chairman, Subcommittee on Intergovernmental
Relations and Human Resources
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

This report responds to your request for information on employment-related programs for applicants and recipients of Aid to Families with Dependent Children (AFDC) benefits. The programs were begun as a result of 1981 legislative changes permitting state AFDC agencies to operate work programs for their recipients. Much of the current interest in altering federal work/welfare policy is based on these recent state experiences. Areas we examined include participation, employment-related activities, support services, and program results.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of its issuance. At that time, we will send copies to the House Committees on Ways and Means and Appropriations, the Senate Committees on Finance and Appropriations, the Secretary of Health and Human Services, and other interested parties.

Sincerely yours,

Richard L. Fogel
Assistant Comptroller General

Executive Summary

Purpose

As states and the administration focus on welfare reform and cutting welfare rolls, programs linking work and welfare have become prominent. Since 1981, states have experimented with new federal work program options for Aid to Families With Dependent Children (AFDC) recipients. They have created programs that help participants look for jobs, learn skills, or get work experience; programs with goals ranging from requiring work in exchange for benefits to decreasing overall welfare dependency.

Representative Ted Weiss, chairman of the Subcommittee on Intergovernmental Relations and Human Resources, House Committee on Government Operations, asked GAO to examine these new work/welfare programs. The review focused on five questions:

- What are the programs' characteristics?
- Who are the people in the programs?
- How do the programs prepare participants for work?
- What support services do the programs provide and to what extent does the lack of these services act as a barrier to participation?
- What are the programs' results to date and the problems with assessing their effectiveness?

Background

AFDC recipients considered employable have been required to register for work, education, or training since the Work Incentive (WIN) Program began in 1967. In 1981 and 1982, Congress authorized work program options that let state AFDC agencies try different approaches. The options were: (1) WIN Demonstrations, an alternative to WIN, both of which are comprehensive employment and training programs; (2) Community Work Experience Programs (CWEP), a workfare approach; (3) employment search; and (4) work supplementation, where AFDC grants subsidize jobs. The Department of Health and Human Services oversees these options. Thus, AFDC work program responsibility shifted away from the Department of Labor and the state employment agencies, which still provide employment and training services under the regular WIN Program.

Although WIN Demonstrations such as Massachusetts' Employment and Training Choices or California's Greater Avenues for Independence have received much publicity, little is known about the characteristics of programs nationally, or their effectiveness. To obtain national data on work

programs begun under the new options, we contacted 61 programs operating in 38 states in 1985, using a mail questionnaire and visits to program sites.

Results in Brief

The variety of work program options has given states the flexibility to tailor their programs to local needs. But multiple legislative authorizations have resulted in a patchwork of administrative responsibilities and lack of overall program direction. Further, the disparate levels of federal matching funds across programs limit states' ability to match work program options with participants' needs. Program authorizations could be consolidated and funding levels made consistent across programs without reducing state flexibility.

To serve more participants, programs spread their limited funds thinly, providing inexpensive services, such as job search assistance, and paying for few support services. Yet, the programs GAO examined served only a minority of adult AFDC recipients in 1985, excluding many with young children or severe barriers to employment. Serving these people would require more intensive services and greater support and thus higher per-person expenditures.

Evaluations of the work programs have shown modest positive effects on the employment and earnings of participants. But wages were often insufficient to boost participants off welfare. Thus, programs should not be expected to produce massive reductions in the welfare rolls. Some participants, while not attaining employment, reach potentially important interim goals such as completion of high school equivalency. These gains, as well as more long term effects, such as job retention, have not been assessed. A wider range of measures is needed to determine the overall impact of the programs.

Principal Findings

Disparate Program and Administration Funding

When a state divides work program responsibility between its AFDC and employment agencies, duplication of staff and services sometimes results. In addition, federal regulations for the various program options sometimes conflict, making coordination difficult.

WIN Demonstrations receive 90 percent federal funding, while the other options are matched at 50 percent. Between 1981 and 1987, WIN funds declined by 70 percent, limiting the resources available for education and training. The other program options do not limit available federal funds, but restrict allowable activities. Overall, the state programs depended heavily on federal funds, making them vulnerable to federal funding cutbacks.

Small Proportion of AFDC Recipients Served

In 1985, the work programs reached a minority of adult AFDC recipients, an estimated 22 percent in states with WIN Demonstrations operating a full year. Most women with children under 6, the largest group of adult recipients, were not required to participate. Some programs also excluded people with minimal work histories or severe educational deficiencies who would require more expensive support or education and training services. Serving them might produce a greater payoff, however, because they are at risk of becoming long term, and thus more costly, AFDC recipients.

Emphasis on Job Search

Overall, the predominant service provided by WIN Demonstrations in 1985 was job search assistance, designed to place participants immediately in jobs, rather than improve skills. Lack of resources was a major reason for this emphasis. Three-fourths of the WIN Demonstrations spent less than \$600 per participant. A few WIN Demonstrations emphasized more expensive training and education services.

Outside Sources Used for Support Services

Of the 61 programs surveyed, 59 offered child care assistance to their participants, but half spent less than 6.4 percent of their 1985 budgets for this purpose. Sixty programs provided transportation assistance, with the median program spending 6.9 percent of its budget. The programs depended instead on other sources, such as Social Services Block Grant funds or their own makeshift arrangements. Program staff reported that programs were not always able to meet participants' support service needs and consequently did not serve some who were eligible.

Modest Improvements, but Many People Remain on AFDC

The few available program evaluations showed modest increases in employment and earnings. In line with the types of services provided, most participants ended up in low paying and/or part-time jobs, so that in half the programs, fewer than 48 percent of the participants left AFDC

after finding work. Other factors that may have limited positive results included economic conditions (e.g., the job market) and the problems participants faced in making the transition from welfare to work.

Uniform Information Lacking

With few federal reporting requirements or standard definitions, programs collected the data they chose, making comparisons difficult. Data on such matters as participant characteristics, types of jobs found, and job retention were not available.

Matters for Congressional Consideration

In deliberating legislative proposals to change work program policy, Congress should develop a coherent, streamlined federal work program policy that would preserve some of the more desirable features of the programs begun in the past 5 years. To accomplish this, Congress may wish to consider the following:

- Authorizing one program that permits a range of services would give the states flexibility to meet their local needs and help resolve the division of administrative responsibility;
- Providing stable federal funding with a uniform matching rate for all options would help states plan their programs and emphasize services they believe are most appropriate;
- Encouraging states to serve people with severe barriers to employment could help increase long-term program effects, but would also require more resources;
- Including more women with children under 6 would help them benefit from education and training services before becoming long-term welfare users, though the necessary additional child care could cost programs more. While a participation requirement for these women may not be desirable or feasible, voluntary participation could be encouraged if appropriate activities and support services were available;
- Determining the need for and providing adequate support services, including services while participants make the transition to work, could help increase participation and job retention;
- Developing more sophisticated measures of performance, including interim progress and job quality, would aid in program assessment and could encourage serving the hard-to-employ; and
- Developing a uniform federal reporting system with standard definitions and a more consistent structure for program evaluation would help in assessing progress, comparing programs, and assessing their effectiveness.

Recommendations

In view of the Matters for Congressional Consideration discussed above, this report contains no recommendations for agency action.

Agency Comments

GAO did not request official agency comments on a draft of this report. GAO discussed the scope of its work with agency officials and its findings and observations about programs with state program officials, whose comments have been included where appropriate.

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Abbreviations

AFDC	Aid to Families With Dependent Children
AFDC-UP	AFDC-Unemployed Parent
AFSCME	American Federation of State, County, and Municipal Employees
CETA	Comprehensive Employment and Training Act
CWEP	Community Work Experience Program
DOL	Department of Labor
E&T	Employment and Training (Oklahoma program)
GAIN	Greater Avenues for Independence (California program)
HHS	Department of Health and Human Services
JTPA	Job Training Partnership Act
MDRC	Manpower Demonstration Research Corporation
MOST	Michigan Opportunity Skills and Training (work program)
OBRA	Omnibus Budget Reconciliation Act
PIC	Private Industry Council
PSID	Panel Survey of Income Dynamics
SESA	State Employment Security Agency
SSBG	Social Services Block Grant
TEFRA	Tax Equity and Fiscal Responsibility Act
WIN	Work Incentive Program

Introduction

Background:

- In 1981 and 1982, Congress gave state AFDC agencies new work program options: (1) WIN Demonstrations; (2) Community Work Experience Programs (CWEP); (3) employment search; and (4) work supplementation, a related form of which, grant diversion, is run as a special project.

AFDC Population:

- The majority of AFDC recipients live in households headed by women. From 1970 to 1985, the number of single-parent families on AFDC nearly doubled.
- About a quarter of those who ever use AFDC receive it for more than 10 years over time. Accounting for almost 60 percent of recipients at any one time, this group uses a large proportion of program resources, but their characteristics make them difficult to help.
- Women face particular problems in becoming self-sufficient through employment: child-rearing responsibilities, lack of child support, earnings that are generally less than those of men, high work expenses (such as child care), and a generally lower level of education or job skills.

Report Methodology:

- Collected information on program characteristics, participants, activities, support services, and results.
- Used a mail-out questionnaire to 61 programs in 38 states; visited 12 states.
- Reviewed the literature on work programs and poverty; discussed work/welfare issues with experts.

Over the past 5 years, state agencies administering the Aid to Families With Dependent Children (AFDC) Program have taken a new look at linking welfare and work. A developing consensus that this link should be strengthened is signaled by the states' interest in work-related programs, renewed as a result of federal legislative changes made in 1981 and 1982. Such programs establish an obligation for participation in return for benefits, an opportunity for recipients to obtain needed skills and education, or both.

Although serving a minority of welfare recipients, some programs—such as California's Greater Avenues for Independence (GAIN) or Massachusetts' Employment and Training (ET) Choices—have received much media attention as approaches to reforming welfare. Although past proposals for comprehensive welfare reform have met with little success, the idea of changing the welfare system recently has attracted new interest. An administration working group has developed a draft report on the welfare system recommending a series of state demonstration initiatives that would include mandatory work programs for welfare recipients. Independent of an overall welfare reform proposal, several specific proposals to replace or alter work program authority have been advanced, including one by the administration and several by members of the Congress.

Although some of the new work programs are well-known and a few studies are available on specific programs, little is known about the programs as a whole. Representative Ted Weiss, chairman of the Subcommittee on Intergovernmental Relations and Human Resources, House Committee on Government Operations, asked us to examine the programs begun since 1981 to determine their progress and their implications for the future of work programs. Our review focused on the programs' basic characteristics, program participants, activities participants attended, the support services they received, and program results to date.

Most of these programs are not what is commonly known as "workfare"—work in exchange for welfare benefits—though they are often called by this name. While some programs adopt this approach as their primary activity, others offer it only as one of several activities, which might also include education and training, and still others do not use it at all. This report therefore refers to the programs as a whole as "work programs," not as workfare.

New Work Program Options

The 1981 and 1982 changes in work/welfare programs occurred within the context of concern about increasing AFDC caseloads and expenditures in the 1970s as well as the dramatic increase in labor force participation among women with children during the past 20 years. These changes raised questions about AFDC mothers with children being supported without working, suggesting instead that they should at least be preparing for work. The Work Incentive (WIN) Program, the primary program directed specifically at helping AFDC recipients reduce their need for welfare, had been criticized both for the inefficiency of dual agency administration and for failing to help many welfare recipients leave the rolls.

In 1981, the administration proposed eliminating WIN and requiring states to establish mandatory workfare programs called Community Work Experience Programs (CWEP). The workfare concept was first used in state and local general assistance programs as early as the 1930s, but was prohibited for federally supported programs until 1981, except for special demonstrations. In 1981, however, the Congress allowed states to establish CWEP programs as one of three new work program options authorized in the Omnibus Budget Reconciliation Act (OBRA).

Paramount among these options was that of operating WIN under a single agency. Prior to 1981, the WIN Program was jointly administered by the Departments of Labor (DOL) and Health and Human Services (HHS) at the federal level, and by the State Employment Security Agency (SESA) and the AFDC agency at the state level. This dual agency administration was criticized as difficult to administer by many state officials, who also believed that WIN was too inflexible to meet states' needs. For example, all states were required to use at least one-third of their funds for on-the-job training and public service employment.

OBRA gave states the option of operating experimental WIN programs administered solely by the AFDC agencies. These "WIN Demonstrations" gave states more flexibility in designing their programs and allocating resources. Most of the services, however, are also available under the regular WIN program, which this report does not address. WIN Demonstrations, like the regular WIN program, may offer a range of services including assistance in searching for employment, work experience, and vocational skills training.

By the beginning of fiscal year 1986, 26 states had received demonstration status, accounting for over two-thirds of WIN funding. The WIN Demonstration authority is temporary. The demonstrations may operate for

three years from the date of initial approval by HHS, except that those approved before June 30, 1984, can be extended to June 30, 1987. The deadline for all applications for demonstration status was June 30, 1985.

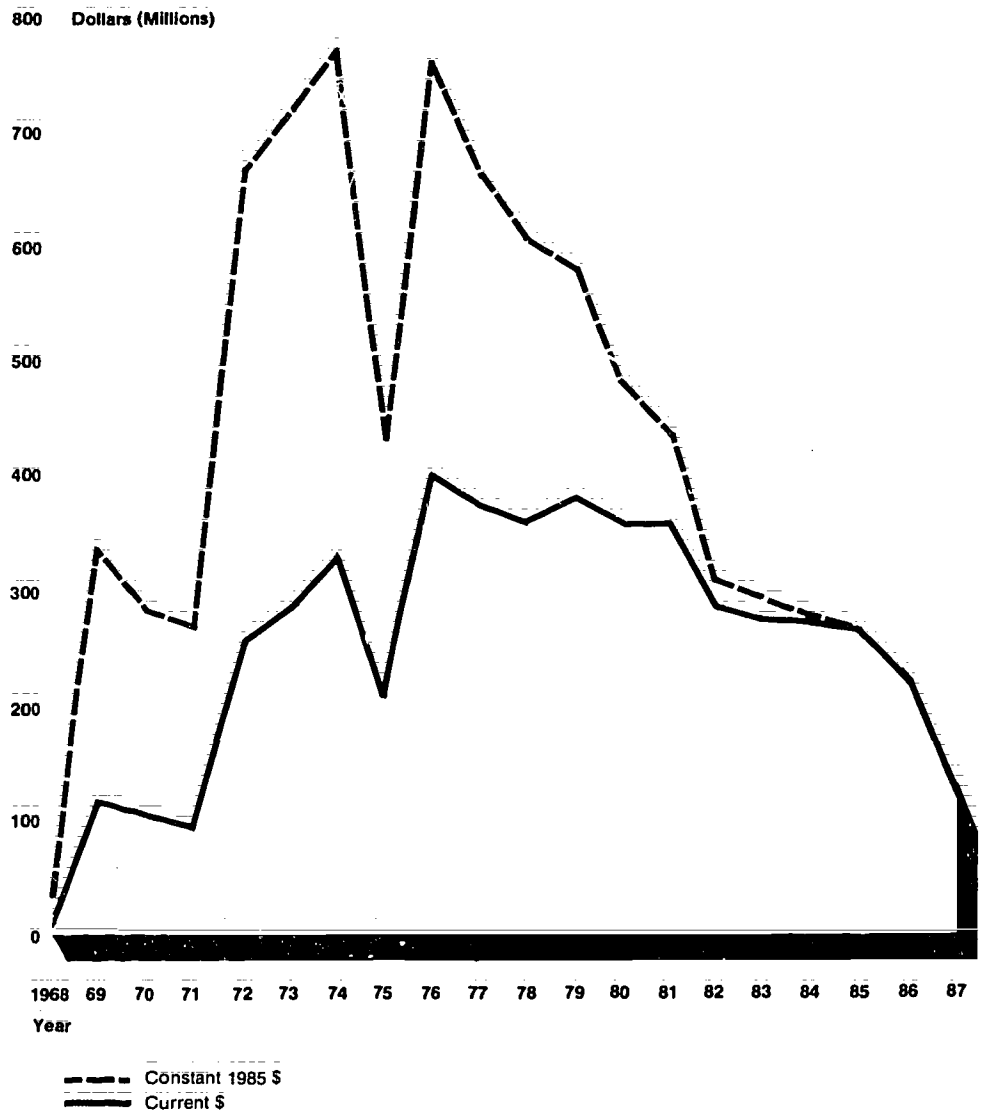
A third option authorized by OBRA was work supplementation in which the participant's welfare grant would be used to subsidize a job in a public or private non-profit entity. The Deficit Reduction Act of 1984 (DEFRA) amended this option to permit job development in the private sector. Prior to DEFRA's implementation, similar programs known as "grant diversion" were authorized using waivers permitted by Section 1115 of the Social Security Act. Finally, the Tax Equity and Fiscal Responsibility Act (TEFRA) gave state AFDC agencies a fourth option, employment search, through which they could require applicants and recipients to look for a job either individually or as part of a group.

Funding and Administration of Work Programs

At the federal level, HHS oversees the WIN Demonstrations and the other options. DOL continues to share oversight responsibility with HHS for states with regular WIN programs.

Funding for the WIN program has been declining in the past 5 years. Originally, as more people came into the program, federal funding grew from \$98 million in 1971 to \$340 million in 1974. (The federal government pays 90 percent of WIN costs; the state must provide the remainder.) Funding remained steady at about \$365 million over the second half of the decade. In 1981, funding began to decline, from \$365 million to \$267 million in 1985 and \$211 million in 1986, a total drop of 42 percent. Funding for 1987 has been set at \$110 million, or 70 percent less than in 1981. In constant 1985 dollars, program funding was almost three times as much in real terms in 1974 as it was eleven years later in 1985 (see Fig. 1.1).

Figure 1.1: WIN Budget Authority: 1968-1987 (In Current and Constant 1985 Dollars)



States receive a WIN allocation from a fixed appropriation. That is, the federal government provides 90 percent of the funding for WIN up to the state's maximum allocation. With the creation of the WIN Demonstrations and the decline in funding, the practice of allocating funds based on performance ended and states received a set proportion from a shrinking funding pool. The CWEP, job search, and work supplementation

options receive 50 percent matching grants for administration as part of overall AFDC administrative costs (which are not capped), although a comparatively small amount of funds has gone to these programs.

The work programs run by AFDC agencies need provide very little data to HHS on their participants and activities. While HHS provides a quarterly reporting format for WIN Demonstrations, it requires only the most basic data on participation and placements. (Regular WIN Programs have been subject to much more extensive requirements.) Other work-related demonstration projects must file quarterly progress reports, but are allowed to decide what data they will report. Programs that are not demonstrations are not subject to reporting requirements.

AFDC Work Program Participants

In 1985, about 11 million people, or 3.7 million families, received AFDC, the main federal source of cash welfare for families with children. Almost 10 million recipients in 1985 lived in families where there was only one parent—usually a woman. The rest—about 1 million people—lived in families receiving AFDC-UP (AFDC for families where the principal wage earner is unemployed).¹ Thus, most AFDC work program participants are likely to be women.

The number of single-parent families on AFDC nearly doubled from 1970 to 1985, growing from 1.8 to 3.4 million. (AFDC-UP families grew at an even faster rate, but accounted for a much smaller number of families.)² Increased numbers of single parent families receiving AFDC reflect in part the growth in the number of female-headed families in poverty—78 percent over the same time period. While the poverty rate for persons in female-headed families changed little over this period, it is much higher than that for other families—4 1/2 times that for all other families in 1985.³

Recent research using the Panel Survey of Income Dynamics (PSID), a 15 year longitudinal study, estimates that about a quarter of those who ever use AFDC receive it for 10 or more years over time. These long-term

¹U.S. House, Committee on Ways and Means, Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means, 99th Cong., 2nd sess. (Washington, DC: GPO, 1986), p.391.

²Background Material, p.391.

³Bureau of the Census, Money Income and Poverty Status of Families and Persons in the United States: 1985 (Advance Data from the March 1986 Current Population Survey), Current Population Reports, Series P-60, No. 154 (Washington, DC: GPO, 1986), pp.23-24.

users account for almost 60 percent of AFDC recipients at any one time.⁴ They use a larger proportion of the total resources and are the most difficult to help. The data indicate that the people most likely to be long-term users are those who

- had never been married when they began receiving AFDC;
- are black;
- dropped out of high school;
- have no recent work experience; or
- entered AFDC when they were very young or their youngest child was less than three years old.⁵

Thus, those who would afford the greatest welfare savings by becoming employed have to overcome the biggest barriers—lack of education and work experience, and child care responsibilities—to achieve financial independence.

Although many women move out of poverty through a change in family structure such as marriage, they have particular problems in becoming self-sufficient through employment. Many women with child-rearing responsibilities do not receive child support or receive less than the full amount awarded them by a court. They enter a job market where women earn less than men. These and other factors such as transportation and child care costs, the economy as a whole, and their lack of education or job skills are problems for women on AFDC who wish to find and keep jobs.

Objectives, Scope and Methodology

In doing the work requested by the chairman of the Subcommittee on Intergovernmental Relations and Human Resources, House Committee on Government Operations, we sought to answer five questions in our collection of information on work programs:

- What are the characteristics of the programs nationally?
- Who are the participants?
- What activities are provided by the states to prepare participants for work?

⁴David T. Eliwood, *Targeting: "Would-Be" Long-Term Recipients of AFDC* (Princeton, NJ: Mathematica Policy Research, Inc., 1986) p.25.

⁵Eliwood, pp.41-44. Some of these factors have no impact on welfare receipt in and of themselves, but instead are associated with other factors related to long-term welfare receipt. For example, young mothers are likely to have other characteristics, such as having never been married, associated with long-term welfare receipt. The woman's age has no independent impact on length of time on welfare.

- What support services are provided to participants and to what extent does the lack of these services act as a barrier to participation?
- What have the program results been and what are the problems with assessing those results?

To address these questions, we focused on the “new” work/welfare efforts—the employment programs begun as a result of OBRA and TEFRA—and gathered information on all such programs operating in 1985. The report provides information and comparisons by program type. It does not compare the programs run by the AFDC agencies with the regular WIN Program. Our review was conducted at HHS’ Office of Family Assistance (whose functions are now in the Family Support Administration), in the state agencies that administer the AFDC work programs, and in localities where the programs are being operated.

Types of Information Collected

We relied on four sources: (1) a review of the literature and empirical material on welfare, work programs, and trends in poverty; (2) interviews with experts on welfare and poverty; (3) a mail survey for descriptive data on all programs operating in 1985; and (4) case studies of programs operating in 12 states. Collection of the various types of data overlapped to some extent. New studies on work programs came out during the course of our project; we reviewed them as they became available. Also, some site visits were completed prior to the mail survey so that insights from the visits could enrich the development of the questionnaire.

Literature Review and Expert Consultants

In addition to the information we collected, we reviewed written material on poverty and employment-related programs (see the bibliography for sources consulted). We particularly noted results of the Manpower Demonstration Research Corporation (MDRC) on-going study in 11 states, with 3 states completed at the time of our study. In 8 of the states, the research design compares job placement success of participants with that of control groups. The study allows MDRC to assess which portion of the results are due to the programs and which to general employment opportunities or individual attributes. The programs MDRC is studying are from the same group covered by our survey, thus providing added depth and, in some cases, measurable outcomes to our information.

To supplement our material, we interviewed experts in the fields of welfare and poverty. These included policy experts, program officials, representatives of advocacy groups, and researchers.

Mail Questionnaire

Through our mail survey, we collected information on participation, support services, funding, and job placements for 61 programs active in 1985 in 38 states. Because the federal government collects little information on AFDC work programs, each program had to be contacted individually. A lack of uniform data definitions made data collection difficult. While this study is a first attempt at describing the AFDC work programs nationally, it should be viewed as a broad indicator of their status, rather than a fully detailed picture.

A telephone survey to all states and the District of Columbia identified programs meeting the following criteria:

- operating under the authority of Title IV-A or IV-C of the Social Security Act;
- operated by the state AFDC agency; and
- operating in 1985.

We defined a program as a service or group of services which were offered to the same pool of AFDC recipients. Thus, some states might have several legislative options (e.g., a WIN Demonstration with a CWEP), but consider them part of the same program while another state might consider the same options to be separate programs.

The questionnaire (see App. I) was based on our previous work and site visits. We pretested it in three states. Because there are no uniform reporting requirements for these programs and each state collects and summarizes data differently, we asked program staff to provide estimates where actual figures were not available. All 61 programs responded. To make the answers as complete and consistent as possible, we discussed and obtained clarification of the answers on each questionnaire through telephone calls to program officials. We did not, however, independently verify the answers.

The data derived from our survey are presented in three forms in the report. (1) In some cases, we present aggregate data on the national level, e.g., the total numbers of people involved in programs of each type throughout the nation, or the total amount of money spent on each type of program. (2) In other cases, we present program-level data. For example, we show the number of participants in five illustrative programs: the programs with the highest number of participants (the maximum), median number of participants, and lowest number of participants (the minimum), and the 25th and 75th percentiles. This latter way of displaying the data gives a sense of the variation between

individual programs. (3) In a few cases, we present data on the state level, e.g., the total number of participants or total expenditures for all the programs in each state.

Case Studies From Site Visits

For a more extensive review of the programs, we visited 12 states between April, 1985 and March, 1986: California (San Diego County), Maine, Maryland, Massachusetts, Michigan, Minnesota, New York, Oklahoma, Pennsylvania, South Carolina, Texas, and Washington. These were selected for diversity of program type and service, geographic dispersion, and our knowledge of specific programs gained from reviewing HHS files. In addition to time spent at program headquarters, the visits to states included trips to regional, county, and city welfare offices, as well as sites at which program activities were being provided.

During the visits, we met a cross-section of people associated with the programs. At the state level, we interviewed people such as commissioners of the human services agency, program directors, staff in charge of various aspects of program operation, and staff in agencies or programs providing services to the work program, such as employment service or Social Services Block Grant (SSBG or title XX). At the county or regional level, we met with local program directors, caseworkers, providers of training, and employers. We observed activities such as job search workshops and orientation sessions and visited training facilities. We visited work sites and spoke with work program participants. In several states, we also met with representatives of legal services and other advocacy groups. Our site visits were summarized in a standard format.

State Work Program Choices

Findings:

- WIN Demonstration programs provide the widest range of service choices and are the basis for several new comprehensive programs, but the authorization for most of them will expire in 1987.
- Federal program authorizations allow flexibility in program design, as well as disparate goals.
- The existence of four different program authorities creates duplication and inefficiency on the state level and impedes development of a coherent work program policy.
- Programs receive different federal matching rates. WIN funds have a high 90-percent match, but declined by 70 percent between 1981 and 1987. Thus, some programs emphasize the more limited services of the other options to supplement their funds.
- The programs depended heavily on federal funds in Fiscal Year 1985: Over 70 percent of their funding came from federal sources, most notably WIN. Thus, they are particularly vulnerable to federal cutbacks.
- Minimal federal reporting requirements impede obtaining a clear picture of the programs.

Implications:

- Allowing states flexibility to tailor programs to local needs is a desirable work program feature, but does not require multiple program authorizations.
- Declining funding, the temporary nature of the important WIN demonstration option, and other features of the current authorizations combine to create uncertainty about the future federal role in employment-related welfare programs.

The new options created by OBRA and TEFRA gave the state AFDC agencies much flexibility in designing their work programs, increasing their ability to tailor programs to their own local needs. By 1985, 38 states had selected one or more options, forming 61 different programs. These programs varied in administrative approaches and goals, which ranged from quick reduction in the welfare rolls or enhancement of participants' long-term self-sufficiency to requiring work in exchange for welfare. Creation of these new programs increased the division of work program administration that began with the dual administration of WIN, as AFDC agencies in states with regular WIN programs set up programs of their own.

Overall, the programs depended heavily on federal dollars, although federal/state shares varied across programs. Over 70 percent of the \$272 million spent on the AFDC work programs in 1985 came from federal sources. But the most important funding source, WIN, declined by 70 percent from 1981 to 1987. Different program types receive different levels of federal matching funds, which can lead to emphasizing specific program services based on funding availability.

The New Program Options

The 1981 and 1982 legislative changes grew out of compromise with the administration over workfare and the states' wish to try a new form of administering WIN. Thus, they were not the result of a coherent new approach to welfare employment, but an attempt to allow states more flexibility without deciding what permanent changes to work programs were needed. OBRA and TEFRA allowed state AFDC agencies to operate four new programs:

- WIN Demonstrations, allowing the state welfare agency to operate the WIN Program, are the most significant option. Like regular WIN Programs, they can offer a comprehensive array of services, but have more flexibility in designing activities. The authority to operate WIN in this manner is temporary, however, due to expire for most states on June 30, 1987.
- In Community Work Experience Programs, participants work off their benefits in unpaid work assignments in public or private non-profit agencies, a concept known as "workfare." CWEP participants must perform work with a useful purpose, but not substitute for regular workers. Placement in unsubsidized jobs must take priority over workfare jobs.
- Employment (or job) search programs for applicants and recipients can provide group job search classes, job development, work orientation, and referrals. In the first year up to 16 weeks of job search may be required, with 8 weeks per year thereafter.

- In work supplementation, the welfare grant subsidizes wages paid by employers to participants. Employers may provide on-the-job training. A similar option, called grant diversion, has been operated using waivers under Section 1115 of the Social Security Act. The program's objective is that the employer hire the participant as an unsubsidized employee at the end of the training period, usually between four and six months.

Details on the major features of the four options that state AFDC agencies are permitted to operate appear in Table 2.1.

Chapter 2
State Work Program Choices

Table 2.1: Characteristics of Work Program Options Available to State AFDC Agencies

Characteristics	WIN Demonstrations	CWEP	Job search	Work supplementation
Legislative Authority	Title IV-C of Social Security Act	Title IV-A of Social Security Act, section 409	Title IV-A of Social Security Act, section 402(a)(35).	Title IV-A of Social Security Act, section 414.
Purpose of Program	Demonstrate single-agency administration of WIN program, with objective of providing training and employment opportunities	Provide experience and training for individuals not otherwise able to find employment.	Reduce welfare dependency by assisting individuals in obtaining regular employment.	Allow states to use AFDC funds to develop and subsidize work positions as an alternative to aid provided to AFDC recipients.
Geographic Scope	May be less than statewide if state designates remote areas. Services may vary by site.	May include whole state or designated areas.	Must be statewide.	May be less than statewide.
Participation				
Who must participate	Ages 16 to 64 (except students 16-17); with children 6 or over; working less than 30 hrs./wk.; living in WIN project area; and not seriously physically or mentally impaired.	Only recipients registered for WIN may be required to participate, except at state's option, women with children age 3 to 5 if child care is available, or those exempted from WIN for remoteness may be included.	Applicants and recipients required to register for WIN; may include those exempted from WIN for remoteness.	No required participants; state may establish eligible categories.
Who may participate	Exempt applicants and recipients in WIN project areas.	May allow volunteers from exempted groups.	May allow exempted groups to participate.	Anyone in eligible categories.
Who is exempt	Under 16 or 65 or older; with child under 6; seriously ill, incapacitated, or physically impaired; in remote area; working 30 hrs./wks. or more; age 16-17 and is a full-time student; or pregnant in third trimester.	Anyone exempt from WIN (with the two exceptions listed above); anyone working at least 80 hrs./mo. and earning at least minimum wage for that job.	May exempt any applicant who does not appear to meet AFDC eligibility criteria at time application is filed; WIN exceptions apply, with exceptions noted above.	State may establish exempt categories.
Period of Participation	Institutional training: avg. no more than 6 months; max 1 yr. Work experience: no more than 13 weeks.	Not more than number of hours in any month obtained by dividing AFDC grant by minimum wage. Time period unlimited.	Applicants up to 6 wks. initially; up to 8 additional wks. over 12-month period.	Grant may be diverted for no more than 9 months.

Chapter 2
State Work Program Choices

Characteristics	WIN Demonstrations	CWEP	Job search	Work supplementation
Sanctions for Mandatory Participants	Refusal to participate or accept employment without good cause results in reduction of AFDC grant for 3 months at first occurrence and 6 months at second: AFDC-regular—needs of person refusing to cooperate dropped from grant calculation. AFDC-UP—if person refusing is principal wage earner, assistance for entire family is denied.	Same as WIN demonstrations.	Same as WIN, except state may reduce period for which sanctions are in effect.	N/A
Support Services				
Child Care	Provided; mother may choose type, but may not refuse if available. Any necessary services may be continued for 30 days, or (at state option) 90 days. Program may pay for any service necessary to find employment or take training. May be continued for 30 days, or 90 days at state option.	Participant reimbursed for day care costs or state may provide directly, up to \$160/mo. Participant reimbursed for costs directly related to participation, or state may provide directly.	Must be furnished, or participants either paid in advance or reimbursed.	No specific provisions.
Other	May pay for family planning, counseling, employment-related medical, and selected vocational rehabilitation services. May be continued for 30 days or 90 days at state option.	Reimbursement up to \$10/mo. for other expenses; state may provide workers compensation.	Other services necessary for participation.	No specific provisions.
Funding	90% federal match.	50% federal match for administrative costs.	50% federal match for administrative costs.	50% federal match for administrative costs.
Components and activities	May include but not limited to: job training, job search, job finding clubs, work experience, grant diversion, education, and service contracts with state employment service, JTPA, or private placement agencies.	Work experience primary activity.	State may require participation in any combination of CWEP, WIN, and job search. Job placement must have priority over other services. May require individual to participate in employment search when not in CWEP or WIN activity.	Eligible individuals may take an available supplemented job provided by either public or private employers. The administering agency may pay all or part of the wages. (This type of program previously has been run as special "grant diversion" projects.

Each state must have either a WIN Demonstration or a regular WIN Program. The state, at its option, may also select any of the other three options to operate in conjunction with the WIN program or on its own. Because the CWEP, job search, and work supplementation options are authorized under title IV-A of the Social Security Act, which also authorizes the AFDC program, they are sometimes referred to as the IV-A work programs. The services that various options permit are duplicative to some extent. WIN and WIN Demonstrations can offer a form of work experience which is similar in activities performed to that under CWEP, although it differs in the determination of hours worked. The two forms of WIN can also offer job search services similar to those provided under the employment search option.

Disparate Work Program Goals

The federal legislative and administrative framework leaves room for the states to set different program goals. Throughout its history, the WIN program has been caught between the goals of (1) immediately reducing welfare expenditures through quick job placements and (2) helping individuals increase their abilities to achieve long-term self-sufficiency by improving their education and skills prior to placement in unsubsidized jobs, which may or may not reduce expenditures more in the long term. The new program legislation has not resolved the tension between these two goals, leaving the choice to state governing officials or individual program administrators.

Either goal is possible within the overall structure of a WIN Demonstration. Job search programs by definition have a goal of quick job placements, while grant diversion or work supplementation programs take a longer term approach by guaranteeing as much as 9 months in a subsidized job.

Even a program type such as CWEP with a narrow range of services may have a number of possible goals. CWEP goals may include:

- helping welfare recipients find unsubsidized jobs,
- deterring employable people from going on or staying on welfare,
- providing services of value to local communities in return for their expenditures on welfare, or
- increasing public support for welfare by giving citizens cause to believe that all who can work are doing so.

Our site visits and the literature provide examples of programs with these various goals. We visited CWEPs that saw their main objective as

helping recipients learn skills and obtain permanent employment. According to an Urban Institute study, CWEP is most often used to provide limited work experience.¹ We also found states emphasizing workfare's potential in reducing welfare rolls and obtaining work in exchange for welfare. One program MDRC studied even viewed CWEP as a long-term employment program in an environment of high unemployment.²

Federal Funding Provisions Differ

Federal funding formulas vary by program type. The federal government provides 90 percent of WIN (including WIN Demonstration) funding up to a fixed amount for each state. The other three programs receive AFDC administrative funds (sometimes known as "regular federal funds" or IV-A funds), for which the federal share is 50 percent with the total amount unlimited. (As discussed below, however, the states have drawn a relatively small amount of IV-A funds, most likely because of the higher state contribution required.)

The two forms of funding can be mixed. States running a CWEP in conjunction with a WIN Demonstration, for example, can use WIN money to pay for CWEP activities. They can also receive IV-A funds to fund CWEP activities within the WIN Demonstration. This funding arrangement can mean that a state will spend its WIN Demonstration funds to the limit because of the higher matching rate, then supplement them with IV-A funds for allowable activities. This practice minimizes state expenditures.

Overall Work Program Administration Divided

At the national level, the establishment of WIN Demonstrations and the three IV-A program options resulted in a further division of work/welfare policy among agencies in addition to that inherent in WIN. The 1981 and 1982 changes led to a much larger role for the AFDC agencies in work programs. The regular WIN program continues to be administered jointly by the Department of Labor and the Department of Health and Human Services. The WIN Demonstrations and the IV-A work programs, however, are administered solely by HHS. The overall DOL role has diminished as a result of decisions by half the states to adopt WIN Demonstrations in lieu of regular WIN, repeated official administration proposals to phase

¹Demetra Smith Nightingale, Federal Employment and Training Policy: Changes During the Reagan Administration (Washington, DC: The Urban Institute, 1985) p. 80.

²Judith M. Gueron, Work Initiatives for Welfare Recipients: Lessons From a Multi-State Experiment (New York: Manpower Demonstration Research Corporation, 1986) p. 25.

out WIN (and thus end DOL's role in AFDC work programs), and staff reductions in DOL's Employment and Training Administration.³

At the state level, this administrative division can result in duplication and inefficiency, impeding development of coherent state work programs. The need to follow different regulations and reporting requirements for each program type creates administrative inefficiencies and hampers program coordination, even when the same agency runs the programs. Moreover, the new requirement to establish Food Stamp work programs means that states must follow still another set of regulations and reporting requirements. In 13 states with regular WIN programs, the AFDC agency also runs its own work program, selected from among the IV-A options. We found instances in which this dual system resulted in duplication of intake, case management, and service provision or in the WIN program taking participants with the fewest barriers to employment and referring people with more severe problems to the IV-A program. Finally, operating different programs in different parts of a state can create inequities in services available to participants.

The administrative situation could become more complex if the WIN Demonstration authority expires in 1987 as scheduled. If Congress has not established a replacement program, the WIN Demonstration states could have to revert to regular WIN Programs run by the SESA, recreating the administrative structure for that form of WIN and dismantling parts of the structure in the AFDC agency.

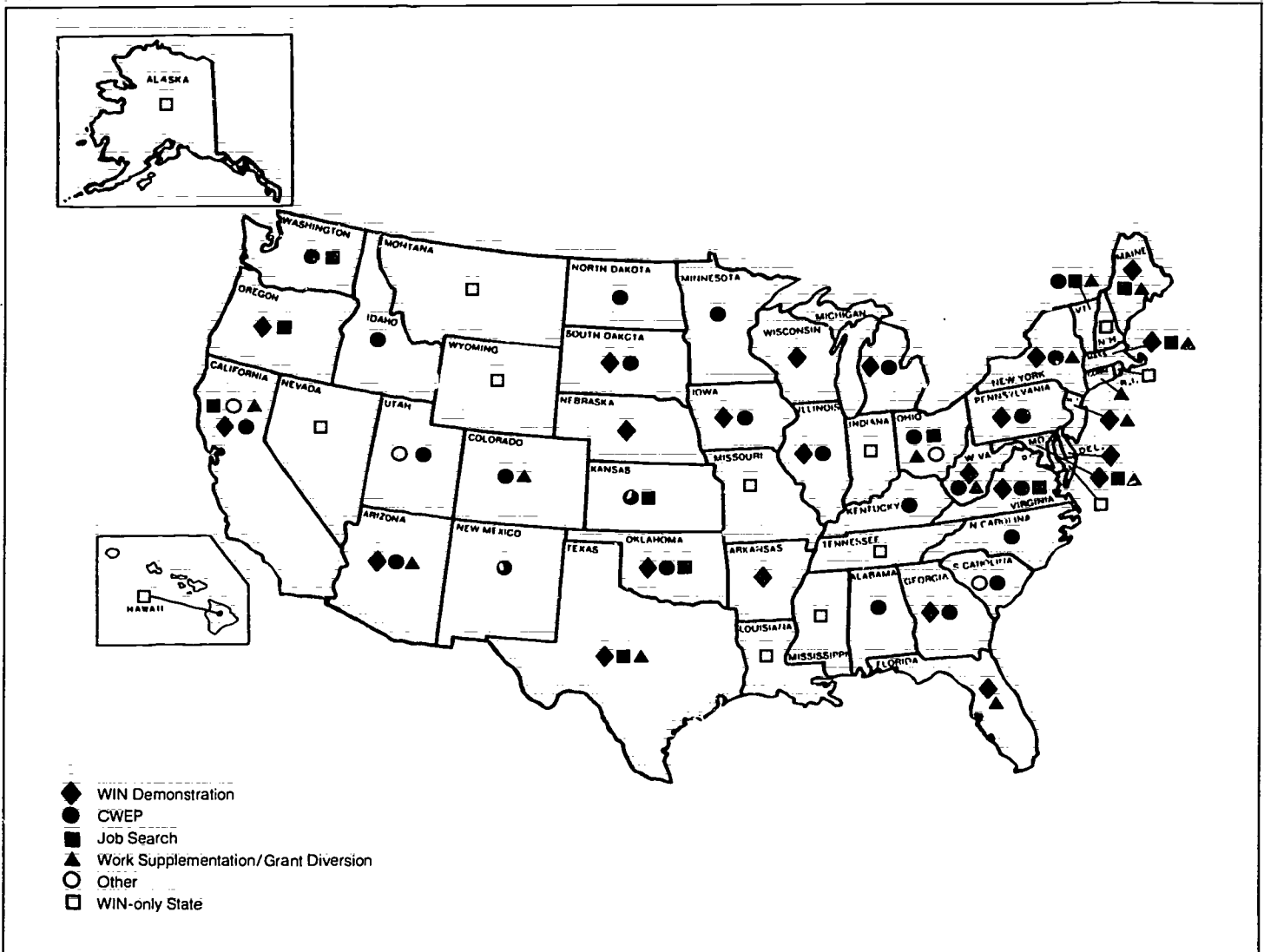
State Choices From Among Options

Currently, states have a flexibility in program design that is evident in the way the options are put together, differing methods of administration, and the changes made over the past 5 years. These changes, in which states try one approach, alter or reject it, then try something new, illustrate how the programs develop, building on past experience.

By 1985, AFDC agencies in 38 states had joined the new work program effort. Their choices from among the options reflect different geographic distributions for two program types. The majority of WIN Demonstrations were in Northeastern and Midwestern states, as figure 2.1 shows, and the majority of CWEPs were in Southern and Western states, along with regular WIN Programs. Job search and work supplementation programs were scattered throughout the country.

³Nightingale, p. 60.

Figure 2.1: AFDC Work Program Options Chosen by States in 1985



Note: Connecticut, Indiana, and Tennessee started WIN Demonstrations at the beginning of fiscal year 1986, but these programs were not included in our survey.

Many states chose to implement more than one option, as figure 2.1 also illustrates, but sometimes operated them as a single program. Thus, from the individual options states chose, we identified 61 programs

operated in federal fiscal year 1985. The programs included 25 WIN Demonstrations,⁴ 20 CWEPS, 6 Job Search programs, and 10 work supplementation/grant diversion programs.⁵ Types of combinations included:

- WIN Demonstrations combined with CWF, job search, or work supplementation/grant diversion programs;
- One or more small programs, such as CWF or work supplementation/grant diversion, operating in a limited area, separate from a WIN Demonstration; and
- One or more of the CWF, job search, or work supplementation/grant diversion options along with a regular WIN Program.

For analytical purposes, we divided the programs into four broad categories: WIN Demonstrations (with and without IV-A components), CWF, job search programs, and work supplementation/grant diversion programs. Programs fitting in none of these categories precisely were placed in the one they most closely resembled. (Table 2.2 lists these 61 programs by state. App. II provides additional information about each program.)

⁴The 25 WIN Demonstrations include 2 in the state of Maryland, which operates an experimental, more richly funded "Employment Initiatives" program in two counties and a "regular" WIN Demonstration in other parts of the state, as well as a San Diego "Saturation Work Project" which resembles a WIN Demonstration but actually is operated under a section 1115 waiver. Thus, only 23 states actually operated WIN Demonstrations in federal fiscal year 1985. During fiscal year 1986, 3 additional states—Tennessee, Indiana, and Connecticut—began operating WIN Demonstrations, bringing the total to 26.

⁵Twelve states and the District of Columbia operated only regular WIN programs and thus were excluded from our survey.

Table 2.2: State Work Programs as
Defined by GAO Survey^a

State	WIN Demonstration	CWEP	Job search	Work supp./ grant div.
Alabama		x		
Arizona	x			x
Arkansas	x			
California	xx ^b	x		x
Colorado		x		x
Connecticut				x
Delaware	x			
Florida	x			x
Georgia	x	x		
Idaho		x		
Illinois	x			
Iowa	x	x		
Kansas		x	x	
Kentucky		x		
Maine	x			
Maryland	xx ^c			
Massachusetts	x			
Michigan	x			
Minnesota		x		
Nebraska	x			
New Jersey	x			x
New Mexico		x		
New York	x	x		x
North Carolina		x		
North Dakota		x		
Ohio		xx ^d	x	x
Oklahoma	x			
Oregon	x			
Pennsylvania	x			
South Carolina		xx ^d		
South Dakota	x			
Texas	x			
Utah		x ^e	x	
Vermont		x	x	x
Virginia	x			
Washington		x	xx ^f	
West Virginia	x			x
Wisconsin	x			

x=One program of a particular type.
xx=Two programs of a type.

^aOur survey defined a program as a service or group of services provided to the same pool of AFDC applicants and/or recipients. Some of these programs consolidate two or more of the options depicted in figure 2.1. In some cases, options that were not consolidated for our survey overlap. In consultation with the states, however, they were defined as separate programs to simplify completion of our questionnaire.

^bSan Diego's Saturation Work Program, which attempts to achieve a 75 percent participation rate and offers a variety of services, was reclassified as a WIN Demonstration.

^cUnder its WIN Demonstration, Maryland operates a special pilot project, "Employment Initiatives," which was summarized separately from the overall WIN Demonstration.

^dIn addition to their general CWEP programs, Ohio and South Carolina operate special CWEP projects that train people to be day care providers.

^eWe classified as a CWEP Utah's Emergency Work Program for two-parent households, in which household members are required to work, train, or look for jobs in exchange for benefits.

^fIn FY 1985, Washington had two job search programs. One served AFDC applicants throughout the state. The other served mainly AFDC recipients in areas where WIN did not operate, as well as some recipients who were registered in the WIN program, but not assigned to an activity.

Most of the programs were not statewide (see table 2.3). WIN Demonstrations were more likely to be statewide than the IV-A programs, but some included only the most populated areas or those with the largest concentrations of AFDC recipients. Most CWEPs and work supplementation/grant diversion programs not attached to a WIN Demonstration operated in only a few counties. For example, South Carolina's CWEP was located in only two counties; Colorado's grant diversion was found in only one. Job search programs must be statewide.

Table 2.3: Geographic Coverage of Programs by Program Type (Fiscal Year 1985)

Figures are percentages					
State	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Statewide	44	15	83	20	34
Statewide, but remote areas excluded	20	—	—	—	8
Limited to one area	36	85	17 ^a	80	57

Percentages may not add to 100 due to rounding.

^aAlthough job search programs must be statewide, states may consider that WIN job search satisfies the requirement in areas where this service is offered. The 17 percent represents one program where this situation applies. The program officials responded to our questionnaire based on the actual program coverage, rather than the legal coverage.

Descriptive Information Lacking

The diversity of the programs as well as the lack of comparable information impede a simple, coherent description of the work programs as a whole. There are few federal reporting requirements or standard definitions of program elements (such as what constitutes participation) that would aid in a comparison of the programs' common aspects. One reason

for the minimal requirements for WIN Demonstrations was that the states found the WIN requirements for detailed data collection too burdensome. We found that programs collected information in different ways, according to different criteria, and sometimes did not collect certain types of data at all.

In several states we visited, program staff said they needed ways to learn about other state programs and share experiences. They suggested that HHS could take more of a "clearinghouse" role, systematically collecting and distributing information. In addition, they said HHS could do more to facilitate the exchange of methods and program approaches among the states.

Administrative Approaches Flexible

A variety of administrative approaches reflected the flexibility the federal framework offers. While the IV-A work programs were generally operated directly by the state welfare agencies, we found WIN Demonstrations that had retained a strong role for the SESA. For example:

- New York State's welfare department contracted with the employment security agency for services for WIN mandatory recipients, including an employability plan, placement assistance, and training referrals. However, unlike the previous WIN program, AFDC recipients who were not placed returned to the welfare agency, which found them a training or educational opportunity or placed them in a CWEP slot.
- In Texas, the employment security agency provided job search services for the welfare department under its WIN Demonstration. Participants who did not find a job within 90 days were referred back to the welfare agency. However, county welfare departments could choose to take over exclusive responsibility for the work program.

In all, 16 WIN Demonstrations contracted with the Employment Service for program services.

We also observed programs in which the welfare department had all responsibility for placing participants in jobs or training, even if some of the actual services were provided by the employment security agency. For example:

- Oklahoma welfare department staff developed an employability plan for each participant, provided job search assistance, and referred participants to training activities run by the welfare agency and other agencies.

- In Michigan, each county welfare department had funds it could use to contract with other agencies, such as the job service, schools, and training providers, to run special programs for registrants in the Michigan Opportunity and Skills Training (MOST) program, the WIN Demonstration.

A work program caseworker, particularly in WIN Demonstrations, typically acts as a mediator or broker, rather than a direct provider of services. In such cases, his or her main duty is often to refer participants to other services or to negotiate and contract with other agencies to gain access to their services for AFDC recipients.

The existence of several different work programs in one state, with different funding sources, reflected the division of work/welfare administration at the federal level. For example, Ohio's AFDC agency ran CWEP, CWEP daycare, grant diversion, and job search programs, while its SESA continued to provide employment-related services under the WIN program. Coordination among the programs varied by county. When different programs were located in the same county, competition for the "best" participants could result. For example, when Washington began its CWEP, participants were referred from the WIN program. A study of the program found that many of the people referred were unable to participate because of health problems, illiteracy, or an inability to speak English.⁶

On the other hand, such states as Pennsylvania and Michigan took advantage of the flexibility allowed by the WIN Demonstration option to consolidate their services for AFDC and General Assistance (GA) recipients. This arrangement became possible because states could change the WIN structure to make it compatible with state GA work programs.

Programs Becoming More Comprehensive

Current work programs build on previous experiences in work program approaches, including job club, supported work, and workfare experiments from the 1970's and their own WIN experiences. The services the programs provide are not new, but the interest and activity in the welfare agency is. We observed states that displayed a process of trial and error, sometimes trying several different approaches on a small scale before implementing a larger program, sometimes starting with a large program and modifying it over time. In general, they have moved

⁶Hal Nelson, *Evaluation of the Community Work Experience Program* (Olympia, Washington: Department of Social and Health Services, 1984), p. 5.

toward larger, more comprehensive programs with a wider range of activities including education and training. For example:

- California recently began the Greater Avenues for Independence (GAIN) program, providing job search first for most participants, then services such as work experience and training. This comprehensive program culminated a history of work program experiments, beginning with workfare in the early 1970's and continuing since 1982 with San Diego's job search/work experience program, a grant diversion program, a saturation work program (to achieve high levels of participation or "saturation"), and a WIN Demonstration consisting mostly of job search.
- Initially, Michigan's WIN Demonstration heavily emphasized immediate employment and CWEP. By 1985, the MOST program, the product of extensive legislative debate, deemphasized immediate job placement services for AFDC recipients who are not job-ready. Participants lacking education or employment skills were assessed and could be placed immediately in education or training, for which the program had additional funds. The number of people in CWEP had declined almost by half while the number in vocational training almost doubled.
- Massachusetts' original WIN Demonstration, begun in 1982, required welfare recipients to participate in job search before skills training. Participants in this controversial mandatory program often found low-wage, unstable jobs. In 1983, the program was redesigned as the well-known ET Choices, which stressed education and training, and voluntary participation.

In addition to California, the governors of New York and Illinois also initiated major new work/welfare programs funded in part with WIN Demonstration funds. New York's program, piloted in New York City, was to provide participant assessment and employment services tailored to the individual. Illinois' program, Project Chance, continued its WIN Demonstration, but refocused it on training and education. But questions about the future of the WIN Demonstration authority allowing the AFDC agency alone to administer the WIN program create an uncertain environment for the initiation of such ambitious programs.

In states with regular WIN programs, the prospects for expansion of their IV-A programs are more constrained. The WIN program receives the federal funds specifically allocated for AFDC work programs and usually takes priority in assigning participants in areas where the program operates. Some states are trying to coordinate their IV-A programs with WIN. For example, the state of Washington consolidated its WIN and IV-A job search funding into a unified program, with the employment

security agency taking over the job search services formerly provided by the welfare agency. Consolidation would eliminate the duplication of staff and services that took place when the AFDC agency provided job search services to AFDC recipients in non-WIN areas and applicants statewide, while the employment security agency provided the same services to AFDC recipients in areas with WIN.

Reasons for Choices Vary With Locale

We identified several factors in addition to previous experiences that influenced states' choices and development of work programs. Funding provisions, the influence of agencies wishing to run a program, and support from public figures were among factors that formed unique local combinations.

Funding provisions can influence what activities a work program includes. A state's WIN Demonstration allocation is fixed, no matter how much it puts into the program. By adopting a IV-A work program, a state can supplement its capped WIN funds with uncapped IV-A funds, providing an incentive to run IV-A programs in addition to its WIN Demonstration. The program may emphasize activities allowable under the IV-A program authorities, such as work experience and job search, rather than training and education, which are allowed only with WIN Demonstration funds.

According to an Urban Institute study, in some states the welfare agency and the employment security agency were rivals over the control of WIN, with the more influential agency winning. In others, both agencies agreed on a course of action.⁷ Effectiveness also played a role: most states whose WIN programs had high performance ratings initially chose not to become WIN Demonstrations.⁸

Support from public figures was important, we found, in shaping the programs and increasing their visibility. In Massachusetts, Illinois, and California, for example, attention from the governor and/or legislature influenced program services and brought prominence to work efforts based on their WIN Demonstration authority and funds. Some legislatures mandated the establishment of a workfare program, while others opposed such a program.

⁷Nightingale, p. 61.

⁸Nightingale, p. 70.

The high level of political interest in the work programs begun since 1981 contrasts with the lesser degree of interest in the previous WIN program. A 1979 study of WIN found that "state level elected officials were generally unaware of and uninterested in WIN."⁹ A manifestation of this new interest is that WIN Demonstrations are likely to have names, such as "ET Choices" and "Project Chance," which make them readily identifiable and promote a positive image. One reason for the heightened political interest could be the freedom WIN Demonstrations gave the states to design their programs. At any rate, this interest may be an important factor behind the willingness of states to contribute their own funds to the new work programs.

Program Funding

Although a majority of states showed interest in the new program options by adopting one or more of them, overall the programs depend heavily on federal support. In 1985, they drew about 72 percent of their total funding from federal sources. The actual percentage is slightly higher, because programs included in an "other" category funds from federal sources such as JTPA and the Social Services Block Grant (title XX), some of which could not be quantified separately. All together, the programs spent over \$271 million in 1985 (see table 2.4).

Table 2.4: 1985 AFDC Work Program Funding by Source

Dollar amounts in thousands

Funding source	WIN Demonstration		CWEP		Job search		Work supp./ grant div.		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Federal:										
Regular federal	\$23,930	9	\$2,500	46	\$3,754	46	\$791	39	\$30,975	11
Special Federal Project	858	.3	114	2	522	6	748	37	2,242	.8
WIN	162,254	63	129	2	0	0	0	0	162,383	60
Subtotal	187,042	73	2,743	50	4,276	52	1,539	76	195,600	72
State	60,739	24	2,199	40	3,885	48	355	18	67,178	25
Local	394	.2	355	7	0	0	5	.2	754	.3
Other	7,518	3	166	3	0	0	126	6	7,810	.3
Not identifiable	500	.2	0	0	0	0	0	0	500	.2
Total	\$256,193		\$5,463		\$8,161		\$2,025		\$271,842	
Percent of all Funds ^a		94		2		3		1		100

⁹ John J. Mitchell, Jr., Mark Lincoln Chadwin, and Demetra Smith Nightingale, Implementing Welfare-Employment Programs: An Institutional Analysis of the Work Incentive (WIN) Program (Washington, DC: Department of Health and Human Services, 1970), p. 44.

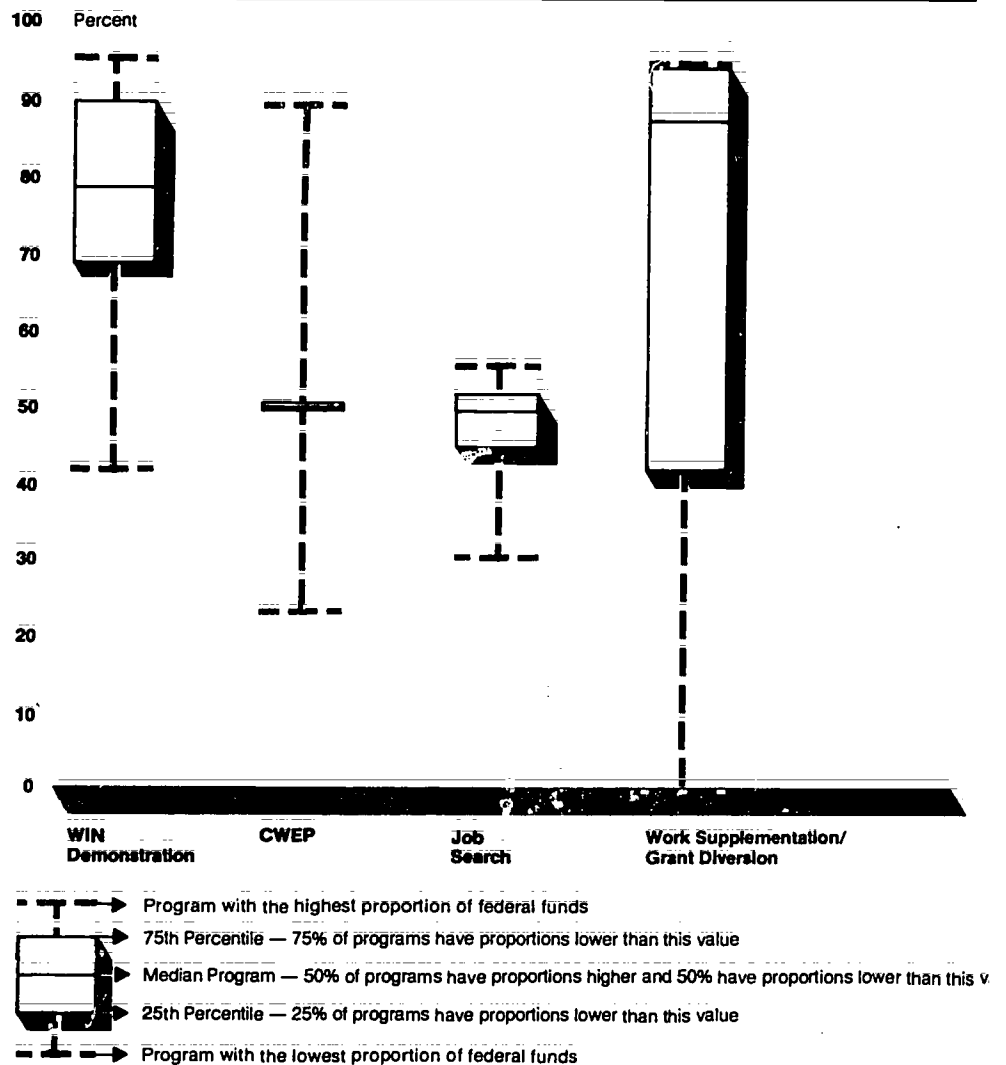
Chapter 2
State Work Program Choices

Note: Five of 61 programs could not report amounts for regular federal funds, special federal project funds, or sources that were not identifiable. Four could not report state or other funds, and three could not report WIN or local funds.

^aPercentage totals may not equal 100 due to rounding.

Individual program types differed in their dependence, with WIN Demonstrations relying most heavily on federal funding because of their 90-percent federal match, and CWEPs and job search programs overall drawing the least on federal funds because of their required 50-percent state match. Because IV-A programs received one dollar in federal money for every dollar the state put in, federal and state funds in these programs overall were equally important funding sources. The degree to which program types depended on federal funds is compared in figure 2.2.

Figure 2.2: Comparison of Proportion of Program Budgets From Federal Sources (Fiscal Year 1985)



Within a program type, individual programs also showed great variety. As shown in Figure 2.2, the proportion of federal funding in WIN Demonstrations ranged from 42 to 96 percent, with half receiving less than 80 percent. Thus many states put in more money than required under federal matching provisions. The variation reflects states' differing degrees of commitment and ability to support their work programs beyond the 10 percent they are required to provide. Work supplementation programs also showed a wide range, from 0 to 95 percent. These programs

received a large proportion of special federal project funds, to which the state must contribute 10 percent. Special project funds could, however, be combined with the state contribution to match federal IV-A funds, making possible a 95-percent federal share. (Total federal, state, local, and other work program funding for each state is shown in table 2.5.)

Table 2.5: Total Work Program Funding by State^a (Fiscal Year 1985)

State	Total Work Program Funding
Alabama ^a	161,382
Arizona	3,239,589
Arkansas	1,645,938
California ^b	47,785,556
Colorado ^a	330,780
Connecticut ^a	151,640
Delaware	1,282,755
Florida	8,430,633
Georgia	4,859,682
Idaho ^a	1,006,000
Illinois	18,510,193
Iowa	4,553,202
Kansas ^a	942,611
Kentucky ^a	1,538
Maine	2,693,664
Maryland	6,606,505
Massachusetts	30,000,000
Michigan	34,701,470
Minnesota ^a	222,095
Nebraska	986,067
New Jersey	13,595,000
New Mexico ^a	75,850
New York ^c	3,394,935
North Carolina ^a	504,984
North Dakota ^a	256,684
Ohio ^a	1,846,727
Oklahoma	5,504,083
Oregon	13,559,204
Pennsylvania	18,241,318
South Carolina ^a	228,783
South Dakota	1,182,784
Texas	14,977,608
Utah ^a	409,701
Vermont ^a	799,008
Virginia	6,379,885
Washington ^a	6,500,473
West Virginia ^b	5,447,565
Wisconsin	10,893,308

*These states also had regular WIN programs, which were not included in our survey, and which had additional funding.

^bTotals exclude budgets for one small project, for which the information was not available.

^cNew York could provide only partial funding information for its WIN Demonstration and none for its CWEP and work supplementation/grant diversion programs. In addition, its WIN Demonstration operated for only part of the year, so additional WIN funds would have been spent on the regular WIN program.

WIN funds were the most important single source of funding, accounting for 60 percent of the total for all programs, as table 2.4 indicates. The programs drew about \$162 million from this federal source, compared with \$31 million from regular federal, or IV-A funds. WIN Demonstrations were by far the largest programs in terms of funding, spending \$256 million compared with about \$16 million for the other program types combined. They drew the bulk of both federal WIN and regular federal funds. This dependence on WIN funds results from the higher federal match, even though the amounts available to states have been reduced. It also suggests states' preference for the comprehensive approach and the difficulty—and less attractive nature—of developing large programs with substantial funding investments outside of the WIN program with its richer funding.

The large federal share in WIN Demonstration funding means that of all the work programs run by AFDC agencies, they are particularly vulnerable to federal funding cutbacks. Total WIN funding, which covers both WIN Demonstrations and regular WIN programs, declined by 42 percent between 1981 and 1986. By 1987, the drop was 70 percent. About 70 percent of the program administrators responding to our survey thought that low funding impeded program implementation to some degree, with about 30 percent saying it did so to a great or a very great degree. In subsequent chapters, we explore specific ways that funding affects program operations.

Conclusions

A broad look at federal work program options and state choices from among them shows three factors at work in the current work program environment.

1. The variety of services states can provide has allowed states the flexibility to experiment with different approaches over time and develop their programs to accommodate local factors.
2. The complex array of program types—WIN Demonstrations, CWEP, employment search, work supplementation, as well as the regular WIN

program—has increased the division of work program policy and administration. Some state AFDC agencies have one comprehensive program encompassing a range of services, while others have several small efforts. In some states all programs are run by the state AFDC agency. Other states have the regular WIN program, in which the SESA provides employment and training services and the AFDC agency arranges support services while also running its own programs. Such an array of program authorizations—created through legislative compromise—is not necessary to provide flexibility. In fact, two of the IV-A options provide services similar to those provided by the WIN program. Accommodation of local needs could be provided for in one comprehensive authorization with uniform funding and administration.

3. The future of federal involvement in work programs is uncertain. The WIN Demonstration authority, used by states as a springboard to comprehensive programs such as Massachusetts' ET Choices, California's GAIN, Michigan's MOST, and Illinois' Project Chance, will expire for most states in 1987. Furthermore, federal financial support is declining. WIN funds provided 60 percent of all work program funding in 1985, but have declined by 70 percent in the past 6 years. Heavy reliance on this source to run the programs could jeopardize their future, if states cannot contribute more resources.

These elements raise questions about future federal and state roles and responsibilities in providing employment-related services to AFDC recipients. The legislation authorizing these programs could be modified to maintain the flexibility accorded to states while decreasing the complexity caused by varying regulations and funding formulas.

Participants

Findings:

- A minority of adult AFDC recipients participate in work programs run by AFDC agencies—about a fifth in WIN Demonstration states; definitions of participation vary.
- Women with children under 6 are legally exempt from most programs, yet they are at risk of becoming long-term AFDC users.
- Little data on participant characteristics is available, but programs exclude some people with multiple or severe barriers to employment, such as illiteracy or needs for support services.
- Most programs require participation, but overall they do not appear punitive; in the median program, the number of people sanctioned was about 5 percent of participants.

Implications:

- Programs could have a greater effect if expanded to more people, but this would be expensive.
- Women with young children could benefit from program services, but adequate child care must be available; questions remain about the desirability of mandatory participation for this group.
- People with little education or multiple support service needs could also benefit, but the services needed can be expensive and long-term.
- While a mandatory program need not be punitive if viewed as an opportunity, safeguards against arbitrary or inequitable benefit reductions are necessary.

Work programs run by AFDC agencies served over 700,000 AFDC recipients in fiscal year 1985. In states that had WIN Demonstrations, the combined AFDC work programs served about a fifth of adult AFDC recipients. In states with regular WIN, the AFDC agency's IV-A work programs were much smaller, involving less than 5 percent of adult AFDC recipients because the regular WIN program covers most participants these programs would serve. Work programs generally do not cover their entire states. Moreover, over two-thirds of programs with participation or registration requirements exempt over half of the caseload because these individuals have children under 6 and, to participate, would require child care. Despite the limited population and area covered by the programs, our evidence suggests that they are unable to serve all of those who are required or eligible to participate. Some programs screen out those who are less employable, needing intensive and expensive services. Over 80 percent of work programs require some people to register and/or participate, but program staff generally are not punitive in the way they enforce these requirements.

What Does Participation Mean?

There is no standard measure of program participation used by all work programs. HHS requires WIN Demonstrations to report numbers of people registering, not actually participating, in their programs. CWEP, job search, and grant diversion programs are not required to report any specific data. Programs that do collect participation data define it in different ways. Some programs count as participants people who received no services. For example, one program we visited defined anyone who was registered in its job search component or waiting for a CWEP slot as a participant. Some programs count people who only received orientation or assessment of their education and skill needs. Moreover, some people placed in a "holding" status without participating in an activity are classified as participants. Other programs require some form of active compliance with an employability plan approved by a case worker.

Because participation definitions vary, and some are very liberal, participation estimates are rough and probably higher in general than the number of people who actually received a service or participated in an activity. An additional problem in determining participation arises because some programs report participation on a monthly rather than an annual basis. Some of these programs could not provide annual estimates of the individuals they served.

Is Participation Mandatory?

About four-fifths of the programs, including all of the WIN Demonstrations, required some AFDC recipients to register and/or participate, as table 3.1 shows. Only 11 programs had no requirements; only work supplementation programs were predominantly purely voluntary. Eight percent of the WIN Demonstrations, 10 percent of the CWEPs, and 10 percent of the work supplementation programs had requirements for registration only. Massachusetts' ET Choices was an example of such a program. The registration process was used as an opportunity to persuade the registrant that the program would be helpful. But most programs, including 92 percent of the WIN Demonstrations, 70 percent of CWEPs, and 83 percent of job search programs, required participation of some people. Appendix II specifies the programs that required participation.

Table 3.1: Mandatory Participation and/or Registration Requirements by Program Type (Fiscal Year 1985)

Figures are percentages.

Requirement	WIN Demonstration	CWEP	Job search	Work supp./grant div.	All programs
Only registration	8	10	•	10	8
Only participation	•	25	•	•	8
Both registration and participation	92	45	83	30	66
No requirements	•	20	17	60	18

In the programs we visited, officials tended to view the participation requirements as, not a hurdle AFDC applicants and recipients must surmount to receive benefits, but a way to "get people through the door"—people who might not voluntarily participate because of fear, distrust, or lack of self-confidence. Once a participant was enrolled, the program often was presented as an opportunity. Program names such as ET Choices, Project Chance, and Options expressed this view. Some programs emphasized marketing to encourage volunteers or convince mandatory registrants that the programs had important services to offer. In Massachusetts, for example, outreach literature was mailed and distributed in the community and at job fairs, and the governor held a series of press conferences around the state to honor successful graduates and recruit new participants.

Some critics claim that mandatory work experience is unfair to the people who perform work of value, but are not compensated as other workers are. MDRC's studies of several programs which included work experience concluded that the jobs were not "make work," but involved

needed services.¹ Some positions may actually be the same as those of regular employees who receive pay higher than the minimum wage, the rate by which CWEP hours usually are calculated. However, some programs use the average or prevailing wage for a position rather than the minimum wage to calculate work hours.

Even in CWEP programs, staff and participants sometimes saw the required activities as a way to develop confidence and obtain needed work experience. Program officials cited instances where participants volunteered to work more hours than required or continued in their CWEP positions after they were no longer required to participate. Participants we interviewed, however, also said that, while they liked their work, they would prefer to have "real jobs," with wages and benefits. In its surveys of work experience participants in five states, MDRC consistently found that the majority of respondents were satisfied with the work requirement and enjoyed their jobs.² People who actually participated, however, may not be representative of the entire mandatory population, including AFDC recipients who were required to participate but did not because they were screened out or sanctioned (had their benefits temporarily reduced or eliminated) for various reasons.

What Is the Extent of Participation?

The bulk of 1985 work program participants were in WIN Demonstrations. Even so, these programs served a minority of adult AFDC recipients in their states. Most programs reduced their caseloads by exempting women with children under 6. Because of limited capacity, programs also may have screened out people whose characteristics made them difficult to serve.

¹Judith M. Gueron, *Work Initiatives for Welfare Recipients: Lessons from a Multi-State Experiment* (New York: MDRC, 1986), p. 25.

²Janet Quint, et al., *Interim Findings from the Maryland Employment Initiatives Programs* (New York: Manpower Demonstration Research Corporation, 1984), p. 189; Daniel Friedlander, et al., *Arkansas: Final Report on the WORK Program in Two Counties* (New York: MDRC, 1985), p. 175; Marilyn Price, *Interim Findings from the Virginia Employment Services Program* (New York: MDRC, 1985), p. xcdi; Joseph Ball, *Interim Findings on the West Virginia Community Work Experience Demonstrations* (New York: MDRC, 1984), p. xvi; Barbara Goldman, et al., *Final Report on the San Diego Job Search and Work Experience Demonstration* (New York: MDRC, 1985), p. 75.

How Many People Participate?

Based on our survey, at least 714,448 people participated in work programs run by AFDC agencies at any time during 1985, as shown in table 3.2.³ The bulk of these participants, about 680,000 were in WIN Demonstrations. This is not surprising, since the IV-A programs coexist with WIN programs and often operate in a small area.

Table 3.2: Participants in AFDC Work Programs by Program Type (Fiscal Year 1985)

Program type	No. of participants (national total)	Number of participants individual programs percentile ^a				
		Minimum	25th Percentile	Median	75th Percentile	Maximum
WIN Demonstration	681,854	1,262	4,920	16,959	35,997	120,000
CWEP	19,465	18	121	440	1,374	4,735
Job search	36,867	909	2,102	5,457	10,637	12,543
Work supplementation/ grant diversion	3,006	82	129	238	404	782
Total ^b	714,448					

^aThe 25th percentile is the value (number of participants) below which 25 percent of the programs fall. The 75th percentile is the value below which 75 percent of the programs fall.

^bThis number is an estimate of the unduplicated number of participants in the four program types; thus, it is smaller than the sum of participants in the four programs. It was derived by asking state officials to estimate the number of people who participated in all types of work programs combined. This table excludes participants in four programs—CWEPs in Iowa, Pennsylvania, and Minnesota, and Oregon's WIN Demonstration—that were unable to provide an unduplicated count of annual participants.

Program-level data also showed that the average WIN Demonstration served many more people than a typical IV-A work program, although there was much variation within each program type (see table 3.2). The WIN Demonstration participant counts ranged from 1,262 participants to 120,000, with about 17,000 for the median program. In contrast, CWEPs had a median of 440 participants, and work supplementation programs a median of 238. (App. II shows the number of participants in each program surveyed.)

In states with WIN Demonstration programs operating the full year, the combined AFDC work programs served about 22 percent of all adult AFDC recipients in fiscal year 1985. The estimated numbers of individuals participating in all the work programs operated by each state's AFDC agency during 1985 are compared with the total numbers of adults receiving AFDC at any time during the year in table 3.3. Participation varied

³This does not include participants in four states (Pennsylvania, Iowa, South Dakota, and Minnesota) which were unable to provide an unduplicated count of annual participants. As noted, however, the participation numbers some programs provided included people whose participation was limited to registering for the program, attending an orientation class, or going through an assessment process.

greatly by state; programs in individual states served between 2.8 and 62 percent of adult AFDC recipients.

Chapter 3
Participants

Table 3.3: Participation Rates by States With Win Demonstration and IV-A Programs (Fiscal Year 1985)

State	Total adult ^a AFDC recipients	Total participants	Percent of total
WIN Demonstration States:			
Arizona	44,341	7,547	17.0
Arkansas	35,457	9,343	26.4
California	784,943	115,000	14.7
Delaware	15,440	2,422	15.7
Florida	175,142	31,000	17.7
Georgia	130,860	3,672	2.8
Illinois	334,908	120,000	35.8
Iowa	66,194	b	b
Maine	28,698	4,920	17.1
Maryland	107,143	20,475	19.1
Massachusetts	123,959	23,666	19.1
Michigan	366,708	109,000	29.7
Nebraska	21,434	10,044	46.9
New Jersey	192,277	16,959	8.8
New York	547,844	16,980	3.1
Oklahoma	54,200	19,888	36.7
Oregon	48,234	b	b
Pennsylvania	288,612	b	b
South Dakota	13,449	3,796	28.2
Texas	214,347	57,075	26.6
Virginia	88,406	20,834	23.6
Wisconsin	163,292	47,844	29.3
West Virginia	58,126	35,997	61.9
Subtotal (all states)	3,904,014	676,462	
Subtotal^a (excluding Iowa, New York, Oregon, and Pennsylvania)	2,953,130	659,482	22.3
States With IV-A Programs:			
Alabama	76,840	480	0.6
Colorado	56,401	1,798	3.2
Connecticut	59,302	82	0.1
Idaho	13,412	1,296	9.7
Kansas	39,481	2,913	7.4
Kentucky	92,448	28	0.0
Minnesota	91,472	b	b
North Carolina	104,207	1,200	1.2
North Dakota	7,395	400	5.4
New Mexico	28,593	79	0.3
Ohio	310,383	3,202	1.0

State	Total adult ^a AFDC recipients	Total participants	Percent of total
South Carolina	62,898	218	0.3
Utah	44,049	8,850	20.1
Vermont	14,476	2,500	17.3
Washington	107,861	14,940	13.9
Subtotal (all states)	1,109,218	37,986	3.4
Total (all states)	5,013,232	714,448	
Total^b (excluding Iowa, New York, Oregon, and Pennsylvania)	4,062,348	697,468	17.2

^aEstimates for all states except Iowa were obtained by using FY 1984 statistics (the latest available from HHS) for the number of adult AFDC recipients on hand at the beginning of the year and adding new applications approved for each of four quarters. This process yielded an approximation of the number of adults on AFDC at any time during the year. Because Iowa switched to a new system of counting approved applications during this time, the state provided a count of adult recipients based on Medicaid data. Iowa's count is from July 1984 to June 1985, however, a different time period from the other numbers.

^bInformation not available.

^cNew York was excluded from this total because its WIN Demonstration operated for only 5 months of the year. Since many more people would have participated in the regular WIN Program, including its numbers would have biased the total percentage for the year. The other states were excluded from the total number of AFDC recipients because no program participation figures were available.

In states with regular WIN Programs, work programs operated by the AFDC agency served between 0.1 and 20 percent of the caseload of each state in 1985, for a total of 3.4 percent of the adult AFDC recipients in non-WIN Demonstration states that could report the information. This percentage does not include participants in the WIN Programs, which may have served many more people.

Who Is Required to Participate?

There are several reasons that the work programs were serving a relatively small percentage of adult AFDC recipients. First, only a subset of AFDC recipients were required to participate. As discussed in chapter 2, most of the programs did not serve their entire states. Many were limited to a particular area, while others served most of the state excluding certain remote areas.

Most programs further reduced their caseloads by exempting women with young children from participation, thereby excluding about 60 percent of AFDC families from the pool of mandatory participants. The WIN Program exempts women with children under 6, and job search programs must follow the WIN eligibility criteria. CWEPs have the option of including women with children aged 3 to 6 if adequate child care is available. All programs, however, can get permission from the federal

government to include women with younger children. Of the 50 programs with registration or participation requirements, only 14 required women with children under 6 to participate. (Table 3.4. lists the programs with such requirements.)

Table 3.4: Programs Requiring Women With Children Under 6 to Register or Participate (Fiscal Year 1985)

State	Program type
Arizona	Grant diversion WIN Demonstration
Arkansas	WIN Demonstration
Iowa	CWEP
Michigan	WIN Demonstration
Nebraska	WIN Demonstration
New York	WIN Demonstration
North Carolina	CWEP
Ohio	CWEP day care
Oklahoma	WIN Demonstration
Oregon	WIN Demonstration
South Carolina	CWEP
West Virginia	WIN Demonstration
Utah	Emergency work program ^a

^aReclassified in our survey as a CWEP.

Waiting until a woman's youngest child reaches age 6 to provide employment and training services may not be the most cost-effective strategy. A recent analysis of PSID data showed that young, unmarried women who enter AFDC when their children are less than 3 years old are the group at greatest risk of becoming long-term recipients. Over time, more than 40 percent will spend at least 10 years on AFDC.⁴ Delaying a woman's return to the labor market until her youngest child turns 6 decreases potential welfare savings and puts her at a disadvantage in the labor market because of her age, lack of recent work experience, and years on public assistance. Moreover, in the general population, the majority of women with children under 6 (54 percent in 1985) are in the labor force and about half (48 percent) are actually employed. Therefore, it may no longer be equitable or desirable to exempt some people from work programs solely on the basis of their children's age.

⁴David T. Ellwood, *Targeting "Would-Be" Long-Term Recipients of AFDC* (Washington, DC: Mathematica Policy Research, Inc., 1986), p. xiii. The age of the youngest child per se does not influence future dependency; rather, women with young children at the time they begin AFDC are less likely to have been married and more likely to have low levels of education, factors that seem to contribute directly to long-term welfare dependence.

Two states we visited had waivers from HHS to require women with children under 6 to participate in work programs. In Oklahoma's Employment and Training Program (E&T), officials thought the issue was not the age of the child, but the availability of child care. The state allocates a relatively high percentage of its title XX funds to child care. Women with young children accounted for about 70 percent of Oklahoma AFDC recipients. E&T statistics indicate that from 1982 to 1985, the percentage of registrants who had young children grew from 37 to 70 percent. Over that time period, 67 percent of the more than 25,000 program participants who found employment had at least one child under 6.

Michigan's MOST program required registration of parents with children over age 6 months, but limited mandatory participation to education if the parents have not completed high school or its equivalent and to education, training, or work experience for those who have finished high school. No participation could be required unless day care was available. Over half of all MOST registrants in the three years ending in March 1985 were women with children under age 6. Program statistics indicate that the proportion of active participants who had children under 6 ranged from 34 to 46 percent during that period. This group comprised a slightly lower percentage of those placed in jobs, however, ranging from 31 to 45 percent of all placements during the same time period.

Including women with young children in a work program presents some difficulties. While some school-age children are old enough to stay alone, children under 6 need supervision, and those who are not in school also need more hours of care than do school-aged children. Such greater child care needs mean larger program expenses or demands on other programs. Also, there may not be enough child care facilities, especially for very young children. Additional participants could strain program capacities to provide employment and training services. There also are questions about the desirability of requiring women with young children to leave them with a child care provider to participate in a work program. An official in one state that chose not to do so expressed concern about the effect of such a requirement on women who are not psychologically equipped to balance the demands of work and child-rearing. Another state we visited did not use its waiver to impose such a requirement, because the head of the welfare agency had reservations about including women with young children, fearing negative consequences. Program officials found they could fill the program's capacity without this group. Finally, an imponderable, but important, factor concerns the potential effects—both bad and good—on the children.

The number of people required to participate does not strictly limit the number of participants; many programs accept volunteers. Some programs we observed, however, lacked the capacity to serve more people or the child care funds necessary to serve volunteers with children under 6. As a result, they discouraged voluntary participation or gave priority to mandatory participants. Other programs we visited, however, encouraged volunteers; for example, the Maine and Texas WIN Demonstrations served almost as many volunteers as mandatory participants.

Who Participates?

Not everyone required to participate in a work program does so; the capacity of the work programs and the other programs they rely on limits the number of people they can serve. As a result, programs develop formal priorities or informal ways of screening out people who are by law eligible or required to participate, but who have characteristics that make them more difficult to serve. Such people are temporarily or permanently placed in an inactive category.

Some programs give priority to AFDC-UP, or two-parent families. This may be in part because male AFDC recipients, with their likelihood of greater work experience, are easier to place in jobs. Working with the male parent in a two-parent family also means that the program need not provide child care assistance. As shown in table 3.5, AFDC-UP recipients constituted about 21 percent of work program participants whose status was known.

Table 3.5: Number and Percent of AFDC-Regular and AFDC-UP Clients by Program Type (Fiscal Year 1985)

Client status	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	Total ^a
Regular (Percentage) ^b	425,225 (80)	7,405 (72)	24,168 (66)	2,651 (88)	459,449 (79)
Unemployed parent (Percentage) ^b	103,963 (20)	2,895 (28)	12,699 (33)	355 (12)	119,912 (21)
Total with status known	529,188	10,300	36,867	3,006	579,361
Status unknown	152,666	9,165	0	0	161,831
Total	681,854	19,465	36,867	3,006	741,192

^aTotals may include some people who were counted twice because they participated in more than one program type.

^bOf those whose status was known.

CWEP and job search programs in particular seemed to give a higher priority to AFDC-UP recipients. While unemployed parents constituted about

20 percent of WIN Demonstration participants whose status was known, they were 28 percent of CWEP participants whose status was known and 33 percent of job search participants. However, the status of 22 percent of work program participants, including 22 percent of those in WIN Demonstrations and about half of those in CWEPs, was unknown. A few programs serving large numbers of AFDC-UP recipients considerably pulled up the total proportion of such recipients served, the program-level data displayed in table 3.6 suggest.

Table 3.6: Percent of Clients Who Are AFDC-Regular by Program Type (Fiscal Year 1985)

Percent AFDC-Regular	WIN Demonstration	CWEP	Job search	Work supp./ grant div.
Minimum	52	0	45	63
25th percentile	85	60	48	91
Median	98	100	57	100
75th percentile	100	100	76	100
Maximum	100	100	100	100

The proportion of work program participants receiving AFDC-UP benefits is probably a good estimate of the proportion who are male. Most AFDC-regular work program participants were women, while most AFDC-UP participants were men, as federal law prescribes that WIN Demonstrations require the principal earner in a UP case—usually the husband—to participate. This suggests that men were about a fifth of AFDC work program participants in 1985.

Information on the other characteristics of work program participants often was not available. Three-quarters or fewer of the programs collected data on age (72 percent), gender (75 percent), race (62 percent), or number of children (61 percent). Less than 60 percent of the programs collected data on education level (57 percent), work history (36 percent), length of time on welfare (51 percent), or age of the youngest child (56 percent).

MDRC collected information on participant characteristics in its evaluations of seven work programs. The data show that program caseloads varied greatly in terms of characteristics such as ethnicity, educational level, prior AFDC dependence, and prior work experience.⁵ Reasons for the variations included both differences in AFDC populations across

⁵Judith M. Gueron, *Work Initiatives For Welfare Recipients: Lessons From A Multi-State Experiment* (New York: MDRC, 1986), p. 23.

states and differences in programs' criteria for choosing the people they served.

MDRC's work and our site visits revealed three broad groups of work program enrollees. The first contains people who have significant work histories or educational backgrounds. Members of the second group have more problems to overcome in seeking employment, such as lack of child care or transportation, few job skills, or an inadequate education. The third group consists of people with severe barriers to employment, such as extremely low reading levels, difficult support service problems, mental or physical illness, or drug use, which make them unlikely to benefit from the services a work program can offer.

Who Is Not Served?

Discussions with program staff indicated that some programs screened out people thought to be difficult or expensive to serve, or whom case workers thought would not benefit from the services or be able to find a job. According to program staff, AFDC recipients with multiple or severe barriers to employment, such as illiteracy, attitudinal problems, medical problems, child care needs, or some combination of these problems, were particularly likely to be screened out.

Responses to GAO's survey also suggest that programs cannot in all cases meet the needs of people who are difficult to serve. As shown by table 3.7, respondents to our questionnaire reported that low educational attainment, lack of child care, and lack of transportation prevented registration or participation in the programs to some extent. Respondents also gave shortage of staff and inability to provide an appropriate activity as reasons some people did not register or participate. Thus, lack of program capacity may require programs to serve fewer people, and they may respond by leaving out those who are less ready for jobs.

Table 3.7: Program Administrators' Opinions on Barriers to Registration or Participation

Figures are percentages^a

Barrier	Degree to which barrier applied					
	Very great extent	Great extent	Moderate extent	Some extent	Little or no extent	Don't know
Low educational attainment	3	14	15	27	34	7
Lack of childcare	10	7	18	25	33	7
Lack of transportation	8	22	22	22	20	7
Too few staff	7	10	15	25	38	5
Program couldn't provide activity	3	10	13	27	42	5
Client already in other program	3	3	8	25	53	7
Other ^b	13	25	29	25	0	8

^aPercentages may not add to 100 due to rounding.

^bThirty-seven programs did not respond to this question. Reasons given by those who did included poor English language skills, health problems, lack of work experience positions, and social/emotional barriers.

Several factors contributed to a tendency to screen out the less job-ready AFDC recipients. Individuals with multiple barriers to employment can require intensive, expensive services for a longer period of time than other work program eligibles. For example, a person with a low reading level and no skills could require remedial education followed by skills training, then job placement assistance. A person with several children would need day care for those not old enough to take care of themselves. Most programs have limited resources for these services, as discussed in the next chapter. Programs using placement rates as an indicator of success have little incentive to serve the harder to employ, since they are likely to have lower placement rates than other participants, and results can take longer to appear. As a result, a program hoping to show a quick effect with limited resources would find it difficult to target these individuals.

We observed some programs making the effort to target special groups, sometimes through small projects. Maryland had some small special projects for teenage mothers, AFDC-UP recipients, and AFDC recipients who were not WIN mandatory. New York was planning special projects to solicit volunteers with children under 6 in several upstate districts with child care funds provided, and to select people with a prolonged history of welfare dependency from the unassigned recipient pool in New York City and Erie County. Michigan's state work program office set a policy of targeting youth and single parents for fiscal year 1986, but counties were not required to meet any numerical goals and were allowed to set their own target groups.

What Happens to Those Who Refuse to Participate?

Refusal to participate in a mandatory program without good cause can result in a temporary reduction or interruption of AFDC benefits, termed a "sanction." If the nonparticipating person is a member of a two-parent family, the entire family is made ineligible for AFDC benefits. In the case of a single parent, payment to the noncooperating adult is denied but payments for the children are made to a third party, usually a relative, neighbor, or friend. For the first episode of noncooperation, the sanction usually lasts 3 months (up to 3 months for job search); subsequent episodes result in a 6-month reduction of benefits.

The programs do not seem to make extensive use of sanctions. Of the 39 programs that reported the number of people sanctioned, the median number of people sanctioned was about 5 percent of a program's number of participants. This percentage was an over-estimate of the number of people sanctioned compared with the entire pool of people required to participate in the program, but we did not have an estimate of the mandatory population.

One reason sanction rates may be low is that some programs used a "conciliation period" such as that required by the WIN Program. WIN regulations require program staff to spend up to 30 days trying to resolve the issues preventing participation before sanctions are imposed. For example, the case worker may schedule the individual for a different activity. Program officials and workers in several programs emphasized the importance of such a mandatory conciliation period to avoid reducing or terminating benefits based on misunderstandings or confusion about program requirements and services.

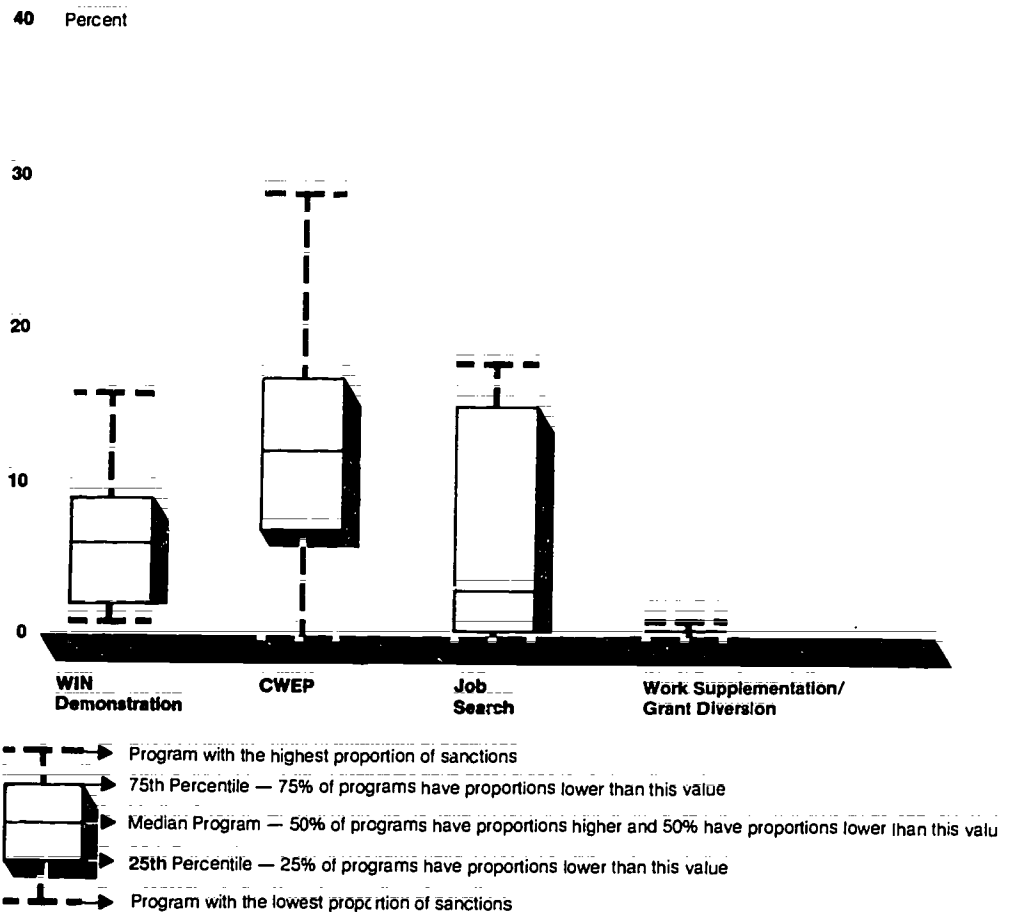
Although program officials saw conciliation as necessary to prevent uneven applications of sanctions within a program, some case workers criticized the requirement. They said they would sanction more frequently if it did not take so much time and energy to document noncompliance. They also said that people manipulate the system by switching from one activity to another.

The limited capacity of many programs could also contribute to a low sanctioning percentage. Since they cannot serve all eligibles, program staff may prefer to concentrate on helping willing participants.

Sanctioning practices vary across programs. Some programs make more frequent use of the sanction mechanism. In 12 programs, the number of people sanctioned was more than 10 percent of the number of participants. The extent of sanctions within each program type is shown in

figure 3.1. The ratio of number of people sanctioned to the number of participants varied greatly within program types, for example, from 0 to 29 percent for CWEP programs. Overall, CWEPs tended to sanction more than other programs. Ten of the 12 programs with sanctioning percentages over 10 percent were CWEPs. CWEPs may have sanctioned more frequently because they are more likely than other programs to be used or perceived as a disincentive to welfare receipt rather than a service to the AFDC recipient.

Figure 3.1: Number of People Sanctioned as a Proportion of Total Participants (Fiscal Year 1985)



Even within a program, sanctioning practices vary greatly. Some county offices and some workers have higher sanction rates than others. Legal Aid staff at one site we visited pointed out that participants in the local program were subject to different sanctioning processes depending on

the component in which they were involved (different agencies were responsible for the components). Based on their involvement in sanction appeals, the attorneys said the staff of one agency had a better understanding of the law and thus had a fairer appeals process than the other agency.

Conclusions

The work programs run by state AFDC agencies served at least 714,448 AFDC recipients in 1985. WIN Demonstrations operating all year, together with the IV-A programs in their states reached about a fifth of adult AFDC recipients in their states. Data limitations prevent the development of a national profile of who was served and who was not. Many of the adults not served were women with children under 6, as the majority of the programs exempt them from participation. From the limited data available, we know that some programs were excluding people with multiple or severe barriers to employment, because they were too difficult to serve (such as those needing extensive remedial help), required services which were unavailable (such as transportation in rural areas), or were considered unlikely to be successful (such as those with both support service needs and educational inadequacies).

The policies of the work programs regarding who is eligible and who actually participates raise difficult questions. Although only a minority of programs require women with children under 6 to participate, the majority of women with children under 6 in the population as a whole are in the labor force. Excluding recipients with young children may make the return to employment more difficult later on. But including them poses other problems. Funds must be available to meet the much larger child care needs of this group. Moreover, it is unclear whether mandatory participation for such recipients is desirable.

The programs' tendency to screen out people who are more difficult to serve or less ready for employment is also problematic. As we describe in chapter 1, the people with greater barriers to employment, such as low educational levels, no work experience, and young children are also those who are likely to stay the longest on AFDC. Helping these people could produce potentially large welfare savings. But it may also require greater resources, as we discuss in the next chapter.

Although most programs required some people to participate, they did not seem punitive on the whole. Instead of relying on the right to terminate the benefits of those who refused to participate, the programs seemed to be presenting themselves as a positive opportunity for AFDC

recipients. Some programs—or even case workers—however, did make greater use of sanctions. Program officials in several programs cited conciliation periods before reducing benefits as an important protection. Thus, our case studies and survey data suggest that, while a mandatory program is not necessarily punitive if viewed as an opportunity, safeguards against arbitrary or inequitable benefit reductions are needed.

Activities in a Work Program

Findings:

- WIN demonstrations, the most comprehensive programs serving the most participants, offer a wide range of services, from looking for a job to classroom training; however, most participants receive job search assistance, a less intensive service not designed to increase skills. A few programs emphasize more intensive education and training services.
- Lack of funds prevents some programs from offering the intensive services some participants need: three-fourths of the WIN demonstrations spent an average of less than \$600 per person in 1985.
- Programs are trying to tap into other resources, such as the Job Training Partnership Act, for services. The degree to which successful relationships have been developed varies.
- Although the programs are often called "workfare," a smaller proportion of participants in the programs as a whole receive work experience than receive job search assistance.

Implications:

- If programs wish to serve more people with literacy problems or lack of skills, who would require more expensive education and training services, they may not be able to do so with current financial resources.
- If work program resources remain scarce, more thought needs to be given to expanding the capacity of education and training systems to serve welfare recipients and to improving coordination between these systems and the work programs.

The activities in which work program enrollees may participate range from searching for employment to learning a skill or improving reading abilities. WIN Demonstrations, which serve the bulk of work program participants, also offer the most comprehensive array of services. Yet, in practice, the greatest proportions of WIN Demonstration participants receive job search services, which are not designed to increase skill levels. Small percentages receive services that increase skills or education, although a few programs emphasize such services. The other types of programs—CWEP, job search, and work supplementation/grant diversion—by definition offer narrower choices of services, their primary services being work experience, job search, and on-the-job training, respectively. Some programs of these three types, however, restrict their participants to the primary service, but others offer activities such as remedial education. The proportion of participants receiving work experience in the programs as a whole is much smaller than that receiving job search assistance, even though the programs are often categorized as “workfare.”

There are several reasons for the deemphasis on education, training, and work experience. Program philosophies about participant needs and how best to meet them can determine service choices. Participants themselves can influence the services provided, as people with few problems may be ready to look for a job. But decisions about services are sometimes made on the basis of the resources available rather than the needs of the participants.

Services That Programs Offer

The activities a work program can offer are varied, and participating in a work program can mean many different things. A brief description of activities commonly offered by work programs appears in figure 4.1. Activities fall into three categories related to assumptions about an individual's job readiness:

- Services, including job search assistance and direct placement into jobs, that assume an individual is ready to enter the job market. Programs differ, however, in their judgments about who is ready for this group of services.
- Work experience, which assumes an individual needs no new skills, but does need to learn what work entails. Work experience can also be used as a way to require people to work in return for their welfare grants, as in CWEP programs.

- Services that assume an individual needs skills or more education to participate in the job market.

(App. III describes the activities in more detail.)

Figure 4.1: Activities Which a Work Program Can Offer

1. Activities assuming clients are ready for the job market

- Individual job search—Client looks for employment, sometimes with requirement of reporting to program staff the number of employers contacted.
- Group job search—Groups of participants receive training in job search techniques and, under an instructor's supervision, identify and contact potential employers.
- Direct placement assistance—Job developer in program or at Employment Service tries to match client to jobs and refer him/her directly to employer.

2. Activities assuming clients need preparation other than skills

- CWEP work experience—Experience or training provided through work in public or private non-profit agency in return for AFDC benefits; hours determined by dividing AFDC grant by minimum wage.
- WIN work experience—Work in public or private nonprofit agency to develop basic work habits and practice skills; state sets hours, but assignment limited to 13 weeks.

3. Activities assuming clients need skills or education

- OJT—Training placement, often subsidized, in which clients are hired by employers and engage in productive work while being trained.
- Supported work—Subsidized work experience or training where work standards are gradually increased to those of an unsubsidized job; support provided by counselors and peers.
- Vocational skills training—Occupationally oriented skills training usually provided through classroom instruction.
- Remedial/basic education—Instruction to raise basic reading and math skills or to prepare for a GED examination.
- Post-high school education—Program in a college or technical institution leading to a degree or certificate.

WIN Demonstrations offer the widest choice, not surprising in view of the comprehensive approach that federal law provides. All WIN Demonstrations offer job search assistance and over two-thirds offer more intensive activities such as work experience, education, and training. Thus, there seems to be a variety of activities for participants to enter. (App. IV shows activities offered by each WIN Demonstration program and participation in each category.)

The other types of programs concentrate on the primary services they are designed to offer: work experience in CWEPs, job search in job search programs, and on-the-job training subsidized by an individual's AFDC grant in work supplementation programs. But some of these programs do not limit their participants to these services, making education and other services available as well. (Table 4.1 summarizes activities offered by program type.)

Table 4.1: Percent of Programs Offering Specific Activities by Program Type
(Fiscal Year 1985)

Figures are percentages, except last line

Activity	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Work experience	76	100	50	10	71
On-the-job training	76	10	17	70	48
Supported work	12	0	0	30	10
Vocational skills	84	30	33	10	49
Remedial/basic education	88	30	50	20	54
Post-high school	72	15	33	0	38
Individual job search	100	45	100	10	67
Group job search	100	35	83	10	62
Direct placement	84	30	50	20	53
Other	24	0	17	10	13
Total no. of programs responding	25	20	6	10	61

What Participants Do

When the numbers of people participating in different activities are examined, the range of services offered by WIN Demonstrations appears much more limited than the list of their activities suggests. The other three options are more likely to provide the services that would be expected from them. Individual programs, however, show a greater variety of service emphasis than the aggregate numbers indicate.

WIN Demonstrations: Mainly Job Search

Although on paper at least 70 percent of WIN Demonstrations offer intensive services (such as on-the-job-training, remedial education, and postsecondary education), in practice most participants engage in activities that send them directly into the job market without skill or work habit enhancement. The percentages of participants in each activity by program type during 1985 are shown in table 4.2. Individual and group job search each drew over half of all WIN Demonstration participants. (The number of people counted in both groups is unknown.) Sixteen percent of participants received direct placement assistance. Even more significant, however, are the relatively small percentages of participants who received services meant to improve employability:

- 3.2 percent received remedial or basic education;
- 2.3 percent received vocational skills training;
- 1.6 percent received post high school education;

- 3.3 percent received education and training services that the states were unable to classify into a narrower category; and
- 4.5 percent of participants received work experience.

The small percentages of WIN Demonstration participants receiving work experience, education, and training services is illustrated by figure 4.2.

Table 4.2: Proportion of All Clients Participating in Each Activity by Program Type (Fiscal Year 1985)

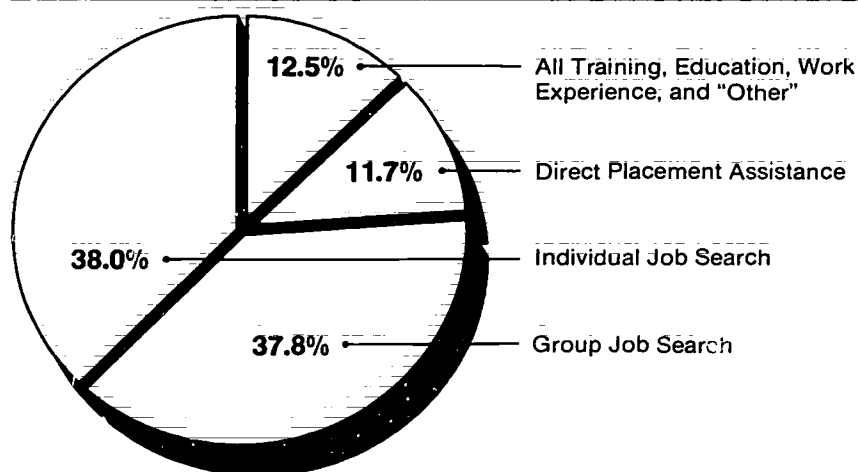
Figures are percentages, except last line

Activity	WIN Demonstration	CWEP	Job search	Work supp./ grant div.
Work experience	4.5	91.4	.9	20.2
On-the-job training	.6	.5	.2	38.8
Supported work	.7	0.0	0.0	13.8
Vocational skills	2.3	1.7	2.6	1.2
Remedial/basic education	3.2	3.4	2.3	2.2
Post high school	1.6	1.8	3.1	0.0
Individual job search	52.6	32.0	57.8	20.2
Group job search	52.4	2.7	13.9	20.2
Direct placement	16.2	.4	6.9	20.2
Other activities	1.1	0.0	20.4	5.2
Education and training ^a	3.3	.	.	.
Total no. of Participants^b	474,735	19,437	36,867	2,867

^aParticipants in education and training activities that programs could not break out into a specific category.

^bThe total number of participants used for this table excludes states which could not provide any break-out of participation by activity. Percentages still may be understated, however, because some programs could not provide participation numbers for all the activities they offered.

Figure 4.2: Weighted Proportions of WIN Demonstration Participants in Each Activity (Fiscal Year 1985)



Note: The pie-chart percentages represent the proportions of all activities provided that fall into the four categories. An "activity" denotes one person participating in one activity. Because some people may have participated in more than one activity, the percentages given are not the proportions of all participants who received a given activity.

The concentration of WIN Demonstration participants in less intensive services indicates that there was such a concentration in the programs as a whole because the WIN Demonstrations served many more people than the other program types—almost 700,000 compared to at most 59,338 people in the other three options combined. (The actual number who were not in WIN Demonstrations may be smaller, because some people could have participated in more than one program.)

Participants in CWEP, job search, or work supplementation programs standing alone generally received the primary service each program type was supposed to offer. Thus, they received work experience in CWEPs, job search in employment search programs, and on-the-job-training or supported work in work supplementation programs. Many CWEP and Work Supplementation participants participated in job search, however, perhaps before beginning work assignments. Small proportions of people in the three program types also participated in educational and training activities.

While the option to implement "workfare" has received extensive publicity, only a relatively small number of people were involved in these programs. While over 90 percent of the 19,437 CWEP participants were in work experience, only 4.5 percent of the 474,735 WIN Demonstration

participants for whom activities were reported were involved in this activity.

Moreover, some of the WIN Demonstration participants were not in CWEP-style work experience, in which hours of work are related to benefits; rather, they were in WIN-style work experience, which is treated as an internship, not a way of working off the welfare grant. The implementation of workfare is discussed further in appendix III.

Individual Programs Display Variety

Individual programs showed more variety than the aggregates suggest, however. We found that a few programs placed higher proportions of participants in more intensive types of activities. (See table 4.3, which gives the percentages of individuals participating in each activity, for programs with the lowest, median, and highest levels of participation in each activity.) An example of a program with an emphasis on intensive services is Maryland's Employment Initiatives program, part of the state's WIN Demonstration, in which 31 percent of participants received vocational skills training. Eighteen percent received remedial education. About half the participants in Massachusetts received training or education services, according to program officials. About one-third of participants in Michigan's MOST program are in education activities.

Table 4.3: Percentages of WIN Demonstration Clients in Specific Activities (Fiscal Year 1985)

Activity	No. of programs reporting ^a (of 25 total)	Percentages of participants in activity		
		Minimum	Median	Maximum
Work experience	17	0.4	3	27
On-the-job training	13	0	1	11
Supported work	3	3	4	7
Vocational skills training	9	1	5	31
Remedial/basic education	11	0.4	6	18
Post high school	6	0.1	3	14
Individual job search	16	1.2	29	87
Group job search	17	0.2	22	100
Direct placement	10	0.5	14	100
Other	5	2.2	6	28

^aTotals differ because some programs did not offer a service or could not provide data on participation in individual services.

In a few CWEPs, significant proportions of participants received more intensive services. For example, in Georgia, where officials commented that the CWEP approach did not provide the activities their enrollees

needed, more than a fourth of participants received vocational skills training. Several CWEPs placed large percentages of participants in remedial education: 25 percent in North Carolina, 22 percent in Vermont, 11 percent in Ohio's regular CWEP, and 39 percent in Ohio's CWEP-daycare project.

What Restricts Activities?

Since WIN demonstrations especially have great flexibility, why do most participants in the programs as a whole end up in a few activities? There are several possible reasons, including the program's basic philosophy, the nature of the participants, and choices about services necessitated by tight budgets.

Program Philosophies Affect Activities

Programs differ in their assumptions about which participants need additional skills or work experience before entering the job market. Some programs place all participants in job search first, out of a belief that only the market can assess job readiness. Those who fail to find jobs then may be assigned to more intensive services. Other programs, which believe not all participants would benefit from job search, first assess individuals' skill or educational needs before deciding which component is appropriate, referring them to job search or placement only when they obtain or already have specific skills or educational credentials. The assessment may be incorporated into an "employability plan," which can describe the activities selected as well as any support service needs. A major part of Massachusetts' program, for example, is the choice of services given to program registrants.

Even programs that do not automatically send participants to job search differ in their definitions of "ready for employment." Some program administrators consider as job-ready people who qualify only for unskilled or low-skilled jobs, while others prefer to educate or train people for higher skilled jobs more likely to enable them to leave AFDC permanently.

Participant characteristics also may influence services. Without knowing the characteristics of participants, however, we cannot determine what their needs may be and thus if services are appropriate. Some participants almost certainly are ready for work, but need help negotiating the job market. Others are likely to have more severe problems and need more help. We do not know, however, how many of each type are in the programs.

Resources Affect Choices

Resources also affect program choices about services provided. In some instances, a registrant may go to an activity such as individual job search because the program can provide nothing else suitable. Education and training services are more costly than job search and job placement. Moreover, they usually take longer requiring programs to continue paying support service costs and AFDC grants for a longer period of time.

Most programs had relatively small amounts to spend on their participants in fiscal year 1985. Three-quarters of the WIN demonstrations spent less than \$600 per participant and 50 percent spent about half that amount or less. For other program types we surveyed, the median program spent about \$400 in CWEPs, \$200 in job search programs, and \$1,100 in work supplementation programs (see table 4.4).

Table 4.4: Funding Per Participant by Program Type (Fiscal Year 1985)

Funding per participant	WIN Demonstration	CWEP	Job search	Work supp./ grant div.
Minimum	\$98	\$55	\$40	\$162
25th percentile	215	224	139	525
Median	309	428	183	1,098
75th percentile	596	838	445	1,849
Maximum	1,388	6,800	535	2,483

The amounts the programs spent are inadequate to provide the more extensive and costly services. For example, data from WIN and CETA indicate that, in 1985 dollars, classroom training cost about \$3,500 per participant and on-the-job training at least \$2,700. In contrast, job search assistance cost only \$200 to \$300 per participant. Thus, the tendency of programs to emphasize job search assistance most likely results from the much lower cost of this service in an environment of constrained resources.

Funding shortages have resulted in less education and training. Maine program officials, for example, said funding cuts required an emphasis on shorter-term training, so more people could receive services. Reduced WIN funding led New York officials to cancel most training contracts. Oklahoma officials said they would like their program to provide more training and education services, but that their small WIN allocation made such expensive services impractical. Because the state could receive additional federal funds for CWEP, the program emphasized work experience activities more. Training services were limited to what could be obtained from other sources.

Use of Other Training Resources

The small amounts of money spent per participant do not reflect the services other programs contributed. Many programs placed people in services paid for by other sources, such as JTPA. Four-fifths of the WIN demonstrations reported that other sources contributed services to their programs. We cannot quantify or identify the nature of these services. Sources commonly used in programs we visited include JTPA; school districts' educational programs such as high school equivalency, adult basic education, and English as a second language; and Pell grants to fund education. In a few cases, these sources actually contributed funds to the work programs; for example, three programs in our survey reported that they received JTPA funds directly.

These other sources, however, also have limited capacity. For example, while JTPA targets welfare recipients, including those on AFDC, it served only about 150,000 AFDC recipients from July 1984 to June 1985. This number is less than a fourth of the number of participants in the WIN demonstrations alone, which themselves are serving only a fraction of the adult AFDC caseload.

Efforts to Promote Coordination

In most of the programs we visited, officials said they had taken steps to promote good working relationships with agencies administering JTPA. For example, in Baltimore the agency operating most of the Employment Initiatives Program was also the JTPA provider. Program staff in Washington and Oklahoma sought to further coordination by setting up meetings for all parties, including JTPA staff, involved in training and education for welfare recipients. Other strategies used have included agreements with JTPA providers to govern referrals, assigning staff to oversee coordination between the two programs, and placing welfare agency staff on the boards of Private Industry Councils (PIC's), which are responsible for JTPA planning. In Massachusetts, the governor requires a welfare agency representative to sit on every PIC. Massachusetts tries to compensate for JTPA's more stringent entry requirements by raising participants' skills before sending them to JTPA, while Oklahoma's welfare agency agreed to save JTPA providers time and burden by certifying that AFDC recipients referred to JTPA programs meet their eligibility criteria. In Massachusetts, the welfare department pays for transportation and child care services for welfare recipients in JTPA programs, thereby removing a major disincentive to serving them.

Coordination is enhanced in such states as Pennsylvania and Massachusetts in which the governor has made serving welfare recipients a JTPA priority. On the local level, coordination seems to work well when there

are personal relationships between work program staff and JTPA staff. This may be easier to achieve in small rural counties than in large jurisdictions.

Two programs we visited that emphasize training and education, Michigan and Massachusetts, pay other agencies and providers to furnish training, thus reducing their dependence on other programs' willingness to serve welfare recipients. Michigan's most Program had about \$10 million to spend on contracts in fiscal year 1985. County welfare agencies, which spend the money, try to purchase only services that would be unavailable without that reimbursement. Massachusetts has contracts with the state JTPA agency to provide training to ET participants, with the state Division of Employment Security to provide job placement services, and with many private and nonprofit agencies for education and training services.

Coordination Problems in Some States

Program staff in several states said they had some coordination problems with JTPA programs, usually because JTPA providers preferred to work with the more job-ready members of the eligible population. People referred from the AFDC work program sometimes were rejected by JTPA staff who did not consider them employable. Program staff suggested several reasons why this happened. For instance, JTPA's performance standards may encourage selection of the most employable people so as to achieve higher placement and retention rates. Moreover, some JTPA agencies may be driven more by employer interests than by those of welfare recipients. Efforts to attract and retain industry may be leading states to skew their education and training programs toward more job-ready individuals.

A recent study of the first year of JTPA's implementation found that while JTPA was successful in enrolling welfare recipients in proportion to their representation in the eligible population, there was "substantial screening by service deliverers to enroll eligibles who were most job-ready."¹ The report attributed this trend to low funding levels; the act's restrictions on support services, stipends and work experience; its strong focus on uniform performance standards; and its major role for the private sector.²

¹Gary Walker, Hilary Feldstein, and Katherine Solow, An Independent Sector Assessment of the Job Training Partnership Act (Grinker, Walker, and Associates, 1985), pp. vi-vii.

²Walker, Feldstein, and Solow, pp. vi, 53-54.

Thus, the picture of what services programs provide and why becomes more complex. The programs we observed tried to use all available resources including those of other programs with varying degrees of success. The need to use resources they could not control, from programs with goals different from their own, frustrated some program officials. They also felt that these resources, such as JTPA training, were not always adequate for their needs.

Positive Aspects of Coordination

The process of obtaining services from other programs also can be a positive one, even though resources may not be adequate. The programs we visited seemed to be learning and benefiting from tapping into other agencies for jobs or services. Programs often act as "brokers" for their participants, helping them find services available from other sources. One high-level program official used his personal influence to get other agencies to provide a few jobs or training positions at a time. This positive aspect of work program administration, however, depends on the interest and energy of the program staff and is difficult to institutionalize.

Conclusions

Work programs are a product of a series of choices, as the previous chapter on participants and this chapter on activities have shown. Program designers decide whom they will serve and what activities they will provide. While the last chapter described the various ways programs restrict the number of participants, in this chapter, we demonstrate that programs also choose to provide a constricted range of activities. In 1985, many more people received job search services than training, education, or even work experience, despite the widespread characterization of these programs as "workfare." But individual programs vary in their service emphases, with some providing a broader range of activities than others.

A major reason for the constriction of services seems to be a lack of resources to provide more expensive education and training services. Some programs, the WIN Demonstrations in particular, seek to broaden their choices by drawing on other resources. But while some programs have successfully developed relationships with outside sources such as JTPA and educational programs, others have had difficulty coordinating with other services because of differing program goals.

The current distribution of services among work program participants raises questions about the programs' abilities to meet the needs of AFDC

recipients for education and training. If programs were to serve more people who lack education or skills, our data casts doubts on their capacity to provide the more intensive services these people would need. More thought needs to be given to how different agencies coordinate their efforts to provide services to welfare recipients. One approach some states use is to give funds to the welfare agency, which then purchases from other agencies the services its recipients need. Another approach is to expand or refocus education and training programs, such as JTPA and adult education, to serve more AFDC recipients, and to improve coordination between them and the work programs. Such an approach, however, would require policy choices about the appropriate allocation of training and education resources to welfare recipients.

Support Services

Findings:

- Child care assistance is available in 59 of 61 programs and transportation in 60 programs; however, programs spend little of their own funds, relying instead on improvised methods or outside sources such as title XX.
- Programs often lack data on how many people need child care or transportation versus how many receive it. Some participants are exempted for child care needs, according to program staff, one reason being a lack of day care slots. Exemptions for transportation often are in rural areas.
- Programs also may assist participants in coping with problems such as emotional, attitudinal, or family difficulties. Program activities themselves may help resolve some problems, while others may require referring participants to specialized services.
- Participants who have multiple needs for support services may be more likely to be exempted from participation.

Implications:

- More needs to be learned about the extent to which support service needs prevent people from participating.
- Expanding programs could mean increased support service costs, particularly if women with young children were to be served.
- Even with increased spending, programs could not meet all participants' needs, because of broader problems such as shortages in many communities of day care and mass transportation. These factors also affect participants' ability to work after leaving the programs.

Individuals may require several types of supplementary or support services to participate in a program's primary work, education, or training service. Support services can address "external needs," such as for child care, transportation, and work-related clothing or equipment. They can also help meet "internal needs" relating to self-esteem, emotional problems, and drug or alcohol abuse.

In most AFDC work programs, participants can receive child care, transportation, and other support services that are needed and available. Funding shortages force programs to rely heavily on other sources for support services. The other sources, however, are also limited. As a result, programs choose not to work with some people whose needs are harder to meet. But, as few programs (less than half) collect information on how many participants receive specific services, there is no conclusive data on how many people need services but do not get them. Discussions with program officials suggest there is an unmet need in some programs, but they cannot quantify the service gap.

Child Care Assistance

By definition, any AFDC recipient has at least one child or dependent. To take part in a work program, the recipient may need to find child care for all or part of the day. The recipient may be unable to obtain child care independently because it is either unaffordable or unavailable.

In our visits to work programs, we found a general lack of data on the proportion of participants needing child care aid. Some program officials classified it as the major need of work program registrants, at times preventing participation, or as a need common to almost all AFDC-regular recipients. Others felt that the need was less widespread.

What Child Care Services Are Provided?

Child care assistance from the program, an external source, or both, was reported to be available to participants in 59 of the 61 programs we surveyed. But there was much variation in the type of assistance provided and in the mechanisms and resources the programs used to provide the aid. Although 38 programs used their own funds for child care, only half of those used more than 7 percent of their 1985 budgets for this purpose. They relied extensively on other resources. Only 41 percent of the programs, however, collected data on the number of participants receiving child care assistance in fiscal year 1985.

What Do Programs Provide Directly?

Of the 59 programs providing child care help, 38 used their own funds to reimburse participants or providers for child care. As shown in table 5.1, the proportion was between 60 and 80 percent for all but the grant diversion programs, of which only 30 percent used their own funds.

Table 5.1: Number and Percent of Programs Using Their Own Funds for Child Care by Program Type (Fiscal Year 1985)

Program type	No.	Percent ^a
WIN Demonstration	20	80
CWEP	12	63
Job search	3	60
Work supplementation/ grant diversion	3	30
Total	38	64

^aOf the programs that provided child care aid.

Most programs paid for a range of child care services, including care by nonprofessionals. Almost all paid for care at child care centers and licensed family day care homes (in which a person cares for children in his or her home) as table 5.2 indicates. Over four-fifths of the programs paid participants for a babysitter in the home. Over half pay for unlicensed family day care or a babysitter outside the home. Most programs set a maximum hourly, daily, or monthly amount they would pay for child care. The median program paid a maximum of \$160 a month per child for any of the four types of care.

Table 5.2: Monthly Reimbursement for Different Types of Child Care by Program Type (Fiscal Year 1985)

Type of care	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Child care center					
Percent paying	95	92	100	100	95
Maximum paid (median program)	\$195	\$160	\$222	\$253	\$160
Licensed family day care					
Percent paying	90	92	100	100	92
Maximum paid (median program)	\$168	\$160	\$222	•	\$160
Unlicensed family day care or baby-sitter outside home					
Percent paying	70	50	0	67	58
Maximum paid (median program)	\$160	\$160	•	•	\$160
In-home sitter					
Percent paying	90	75	67	67	82
Maximum paid (median program)	\$155	\$160	\$317	•	\$160

To limit child care expenditures, programs used a variety of approaches. In Idaho, CWEP participants took turns watching each other's children. In South Carolina, CWEP participants were placed as workers at day care centers, which in turn provided slots for other CWEP participants. Staff of Washington's job search program encouraged people to make their own child care arrangements, at no cost to the program, before financial assistance was offered. Case workers in Maine were authorized to negotiate the child care subsidy with registrants.

Programs spend very little of their budgets on child care, as table 5.3 shows. The median amount spent of their own funds was about \$34 per participant, ranging from under \$3.00 for job search programs to about \$82 for work supplementation/grant diversion. (Because child care spending was averaged across all participants whether they received assistance or not, the amount spent per participant with children receiving care would be considerably higher.) Child care accounted for 6.4 percent of the median program's total budget.

Table 5.3: Child Care Expenditures by Program Type (Fiscal Year 1985)

	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Percent of budget for child care:					
Minimum	1.4	0.2	0.0	0.4	0.02
25th percentile	3.4	0.6	—	—	1.4
Median	7.6	4.6	1.5	7.5	6.4
75th percentile	13.9	12.5	2.4	—	13.6
Maximum	66.6	46.9	2.4	14.7	66.6
Child care funding per participant^a					
Minimum	\$2.50	\$0.71	\$0.09	\$3.28	\$0.09
25th percentile	8.95	9.86	—	—	4.95
Median	49.90	34.08	2.60	82.09	33.62
75th percentile	84.69	67.93	9.74	—	75.40
Maximum	405.65	154.16	9.74	160.90	405.65

^aBase includes all participants whether or not they received child care aid.

But some programs did make substantial commitments to child care in terms of their budget: at least a sixth of the programs spent more than 10 percent of their budgets on child care, and one program (Massachusetts' ET Choices) spent 32 percent—nearly \$10,000,000 and over \$400 per participant—to provide this service. Child care for ET participants is provided through a voucher system that was established by the legislature specifically to support the ET program. The voucher system was designed to meet the immediate needs of ET participants more easily than the state's regular contract system, in which AFDC recipients had to wait for slots to open up in the right geographic area and type of care and to compete with other people eligible for the service. Under the voucher system, ET participants (and ET graduates starting jobs) select their own providers and receive vouchers that cover some proportion of the cost of care, based on a sliding fee scale. At the same time, they are placed on the waiting list for slots in the state's contract care system.

Ten of the 38 programs providing child care aid from their own budgets got additional federal funding by using the AFDC grant to pay for child care under a provision that allows the grant to be adjusted to meet the special needs of some recipients for training related expenses. States with some of the largest welfare populations, such as Michigan, New York, Pennsylvania, and Ohio, used this "special needs" mechanism.

What Other Resources Do Programs Use?

Given their generally small expenditures on child care, programs rely heavily on other resources to provide child care help (see table 5.4). Twenty-one programs relied totally on external funding sources, and another 27 relied in part on other funds to pay for child care.

Table 5.4: Breakdown of Programs Using Own and Other Funds for Child Care (Fiscal Year 1985)

Source of child care funds	No. of programs
Own funds only	11
Own and other funds	27
Other funds only	21
Provide no child care support	2
Total	61

The most prevalent external source of child care was title XX, used by 39 programs, including a majority of each program type. States can use this grant to pay for various social services, deciding themselves what proportion to devote to each service and setting their own eligibility criteria. Many used a portion of the funds to provide child care services to people in work programs. A few contributed title XX funds directly to the work programs' budgets.

Some CWEP job search, and grant diversion programs were able to get WIN child care subsidies for their participants. Programs also drew upon JTPA funds (for participants in JTPA components), state general funds, and state day care funds. (Table 5.5 shows the number and proportion of programs using selected funding sources.)

Table 5.5: Number and Percent of Programs Using Selected Sources of Child Care Funds by Program Type (Fiscal Year 1985)

Source of child care funds	WIN Demonstration		CWEP		Job search		Work supp./ grant div.		All programs	
	No.	Percent ^a	No.	Percent ^a	No.	Percent ^a	No.	Percent ^a	No.	Percent ^a
WIN	1 ^b	4	7	37	2	40	6	60	16	27
Title XX	18	72	10	53	3	60	8	80	39	66
JTPA	2	8	0	0	1	20	1	10	4	7
Other ^c	3	12	3	16	2	40	2	20	10	17

^aPercentages are of the programs for which child care assistance was available.

^bA Saturation Work Program recoded as a WIN Demonstration, the program type it most resembled.

^cOther sources of child care funds included state day care funds, state general funds, local funds, and the Emergency Jobs Appropriations Act of 1983.

Examination of individual state programs revealed a variety of ways in which they attempted to maximize external funding before using their own funds. Massachusetts claimed federal reimbursement for 50 percent of the child care costs for participants in job search and supported work, and used state funds to pay for child care for those in other components. Maine's program staff tried to place participants' children in title XX centers, but would pay for other centers if title XX-funded care was not available. In Michigan, local school districts provided child care to some WIN Demonstration participants enrolled in their programs; others were aided by the AFDC special needs allowance.

How Long Do Services Last?

Some states we visited provided child care assistance to participants once they became employed and left the AFDC work program. Maryland's Employment Initiatives Program provided funds for child care in a participant's home for up to 30 days after job placement, to give the participant time to make other child care arrangements. Massachusetts provided care through the ET voucher system for up to a year after a participant found a job. The legislation for California's new GAIN Program specifies that child care will be available to program participants for at least 3 months after they find unsubsidized employment. In many states, working parents with incomes below state established levels can receive title-XX funded services. New York State paid for up to 9 months of child care for people who have lost public assistance eligibility because they took a job.

Do the Services Meet the Need?

As described above, many programs do not collect data on the number of potential participants needing and receiving child care help. But, many of those who run and staff the programs see a shortfall in the supply of child care. About 60 percent of respondents said that lack of child care prevented participation, but only 17 percent thought it did so to "a great extent" or "a very great extent" (see table 5.6). It should be recalled, however, that most programs exempt women with children under 6. Therefore, respondents in these programs may not have been considering whether this group's participation was limited by child care needs.

Table 5.6: Extent to Which Child Care Needs Prevented Registration or Participation: Views of State Officials

Figures are percentages ^a					
Extent	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Very great	0	20	17	11	10
Great	12	5	0	0	7
Moderate	13	15	33	22	18
Some	44	10	0	22	25
Little	20	45	50	33	33
Don't know	8	5	0	11	7

^aPercentages may not add to 100 due to rounding.

According to staff of five programs we visited, some people are exempted from participation or placed in inactive status because they cannot find child care. These exemptions may be temporary while the client waits for subsidized care.

In certain areas, shortages of child care providers seemed to be a large part of the problem of arranging child care for participants. In six programs, child care was unavailable in some rural or inner city areas, staff told us, and other areas did not have enough child care providers. In another program targeted at AFDC-UP recipients, staff said a shortage of child care facilities would be a problem if AFDC-regular recipients, who are single parents, were brought into the program.

In programs relying on state-funded child care systems, the lack of subsidized day care slots is a major problem. Federal title XX funding, which is often the cornerstone of these systems, has decreased since 1981, although it has recovered somewhat in the past several years. Individual states, however, determine how much of their title XX funding is allocated to child care. A Children's Defense Fund study found 35 states spent less in real terms for child care services funded through title XX in 1985 than in 1981, and 24 states served fewer children.¹ In 1984, GAO reported that one way of coping with reduced funding was to tighten eligibility criteria for child care services. Using information from 13 states, we found that 6 of 7 states that changed their criteria had tightened them and/or raised fees.² The Children's Defense Fund found that mothers in education or training often are

¹Helen Blank and Amy Wilkins, Child Care: Whose Priority? (Washington, DC: Children's Defense Fund, 1985), pp. 7, 9.

²States Use Several Strategies To Cope With Funding Reductions Under Social Services Block Grant (GAO/HRD-84-68), Aug. 9, 1984, pp. 31-35.

placed at the bottom of the states' priority lists for title XX-funded child care;³ 21 states have tightened eligibility criteria for this group since 1981.⁴

Programs that did not report widespread exemptions for lack of child care often had a strong subsidized child care system, served only males from two-parent families, or provided services during school hours. Several programs scheduled activities during school hours to reduce the gap between the need and available services. In programs with multiple activities, only some of which are provided completely during school hours, this can restrict the options of AFDC recipients who need child care. For example, New York City registrants who could not find child care were assigned to work experience during school hours, rather than other activities such as job club, education, or training. In Washington, the child care needs of some people prevented their participation in training, but job search could be scheduled while their children were in school.

Three-fourths of the programs also reduced the gap between need and available services by exempting women with children under 6 from participation, as discussed in chapter 3. This approach frees programs from the obligation to provide extensive child care funding. The lack of child care, however, may prevent voluntary participation by these women.

What Type of Care Is Obtained?

Little information is available about the proportion of participants obtaining various types of child care, and there is no information available to enable us to judge the adequacy of the care obtained. We do know that the type of care obtained is constrained by the amount of money programs will reimburse for child care and by the standards set by the programs or the child care funding sources.

Program participants' choices of child care providers are constrained by the limits on reimbursements set by the programs. The median program set a maximum of \$160 per month (or \$1,920 a year) per child for all types of care (see table 5.2). This is low in relation to the cost of full-time, unsubsidized child care, which a recent study found is between \$1,500 and \$10,000 per child per year depending on area, with most

³Blank and Wilkins, p. 28.

⁴Helen Blank, Testimony before the Subcommittee on Intergovernmental Relations and Human Resources, House Committee on Government Operations, July 9, 1985.

parents paying at least \$3,000.⁵ Participants whose children are in school or whose program activities are not full time may not need full-time child care. Nevertheless, programs may not provide the maximum monthly reimbursement to participants using part-time care. From our site visits, we know that some programs set hourly or daily rates, which can be as low as \$1 per hour or \$5 per day.

The programs we visited varied in the degree to which they set standards for the child care participants obtain using program funds. Some had rather modest criteria for providers: one program required only that unlicensed providers be 18 years old, while another excluded only providers involved in a child abuse case. One state delved more deeply into the qualifications of providers by interviewing the candidate, visiting the home, or checking references. Monitoring approved providers by program staff seemed rare.

Transportation Assistance

For many AFDC recipients, lack of transportation is a barrier to participating in a program or taking a job. As with child care, the problem may be unavailability of the service: public transit does not exist in many rural and some suburban areas. Or the barrier may be financial: AFDC recipients with cars or access to public transit may lack the money for gasoline, car repairs, or public transit fares.

What Transportation Services Are Provided?

In all but one of the 61 programs we surveyed, participants could receive transportation assistance. As with child care, the program could provide assistance directly, draw on an external source, or use a combination of both. Again like child care, programs spent small amounts of their budgets on transportation assistance. Only 38 percent of the programs, however, could report the number of participants receiving transportation assistance in 1985.

What Do Programs Provide Directly?

A total of 50 programs used their own funds to pay for transportation assistance, as shown by table 5.7. Such assistance took several forms. Reimbursement for mileage driven at 15 to 20 cents per mile or public transportation fees and provision of bus tokens or tickets were some of the more common methods. Less common forms included contracting with the local transportation authority to establish a special bus route to

⁵Dana Friedman, "Corporate Financial Assistance for Child Care," The Conference Board Research Bulletin, No. 177, p. 6.

take CWEP participants to work and paying such auto expenses as insurance, license plates, and repairs. Ten programs supplemented participants' AFDC grants with "special needs payments" for transportation expenses, as some also did with child care. The programs also improvised other methods, such as organizing carpools for Job Club participants and helping participants fix their bicycles.

Table 5.7: Number and Percent of Programs Using Own Funds for Transportation by Program Type (Fiscal Year 1985)

Program Type	No.	Percent
WIN Demonstration	23	92
CWEP	19	95
Job search	4	67
Work supplementation/ grant diversion	4	44
Total	50	83

Work programs' transportation expenditures in 1985 were small, as shown by table 5.8. The median program spent \$24.41 per participant on transportation or about 7 percent of its total budget. As with child care, transportation expenses are averaged over people who do not receive such aid as well as those who do; thus, actual payments to participants would be higher. CWEP and job search programs spent much more than other programs on transportation, with each spending a median of between \$40 and \$50 per participant or over 10 percent of their budgets.

Table 5.8 Transportation Expenditures by Program Type (Fiscal Year 1985)

	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Percent of Budget for Transportation:					
Minimum	0.3	2.2	8.3	0.4	0.3
25th percentile	1.8	4.9	8.6	—	2.3
Median	5.1	12.7	10.3	0.8	6.9
75th percentile	12.1	45.8	77.8	1.2	16.2
Maximum	26.8	55.4	100.0 ^a	1.2	100.0
Transportation Funding per Participant (In Dollars):^b					
Minimum	\$0.92	\$2.35	\$19.93	\$3.28	\$0.92
25th percentile	9.26	18.10	23.54	—	9.74
Median	17.69	47.82	42.61	8.78	24.41
75th percentile	40.58	136.31	153.46	9.16	58.97
Maximum	100.78	292.83	187.63	9.16	292.83

^aOne job search program spent 100 percent of its budget on transportation. This program required AFDC recipients to contact five employers per month and return a form documenting these contacts to their AFDC case worker. They were reimbursed for transportation costs. There were no staff costs attributable to this program.

^bBase includes all participants including those who did not receive transportation assistance.

What Other Resources Are Used?

As with child care, AFDC work programs use other sources to augment their transportation budgets, and program staff use their ingenuity to piece together available sources of aid. As table 5.9 shows, a total of 37 programs used other programs' funds to provide transportation assistance; of these, 27 spent their own money as well.

Table 5.9: Breakdown of Programs Using Own And/Or Other Funds for Transportation (Fiscal Year 1985)

Source	No. of programs
Own funds only	23
Own and other funds	27
Other funds only	10
Provides no transportation aid	1
Total	61

Title XX was the most common external source, used by 16 programs. In 10 programs, mostly CWEPs, employers provided transportation for their workers, for example by picking them up in vans or by reimbursing them for transportation costs. Local transportation authorities donated services to five programs; one example was the provision of half-fare

bus passes. Six IV-A programs used WIN funds, and JTPA provided transportation to participants in training programs in six of the work programs surveyed. The number and proportion of programs of each type using selected resources to provide transportation assistance are shown in table 5.10.

Table 5.10: Number and Percent of Programs Using Selected Sources of Transportation Funds by Program Type
(Fiscal Year 1985)

Source	No. (percent) ^a of programs				All programs
	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	
Transit Authority	3(12)	0	0	2(22)	5(8)
Employer	1(4)	7(35)	1(17)	1(11)	10(17)
Title XX	9(36)	2(10)	1(17)	4(44)	16(27)
WIN	1 ^b (4)	1(5)	1(17)	3(33)	6(10)
JTPA	4(16)	1(5)	0	1(11)	6(10)
Other ^c	5(20)	1(5)	1(17)	1(11)	8(13)

^aFigures in parentheses available. the programs for which transportation assistance was

^bThis program is a Sature program recoded as a WIN Demonstration, the program type it most resembled.

^cOther sources of transportation funds cited included community service organizations, refugee funds, county funds, and the Emergency Jobs Appropriations Act of 1983.

Do the Services Meet the Need?

Although data are often unavailable on how many potential program participants need transportation help and how many receive it, many program officials see lack of transportation as a problem. As table 5.11 shows, almost three-quarters of the respondents to our survey reported that transportation problems prevented some people from participating. Thirty percent thought they did so "a great extent" or "a very great extent." In most programs we visited, staff reported that some people were exempted from participation or placed in inactive status for lack of transportation. Most cases were in rural areas where people would have to travel unacceptable distances or where activities were inaccessible without cars.

Table 5.11: Extent to Which Transportation Problems Prevented Registration or Participation: Views of State Officials

Figures are percentages^a

Extent	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Very great	4	15	0	11	8
Great	24	20	17	22	22
Moderate	32	20	17	0	22
Some	24	10	33	33	22
Little/no	8	30	33	22	20
Don't know	8	5	0	11	7

^aColumns may not add to 100 percent due to rounding.

Some individuals are so remote from work program sites or employers that a program cannot be expected to help them. They may live too far away to participate in any program activities, or to do so without a car. Each program sets its own definition of "remoteness," however, and some do work with people who must travel long distances to participate. For example, Beaufort County, South Carolina, is a largely rural county spread over 59 islands. Its few bus routes have infrequent service. At a rural day care center, two CWEP participants working as child care aides spent two hours each way on a bus to and from the work site.

As with child care, transportation problems may limit registrants' options rather than disqualifying them from participation. People who cannot get to activities such as training or work experience may be assigned to individual job search or a high school equivalency class offered at a local school.

Other Work-Related Expenses

Some AFDC recipients need other types of help before they can participate in work programs or take jobs. Such needs might include obtaining clothing, a medical examination, dental care, eyeglasses, tools, or work-related equipment. Eight programs we visited met such work-related needs through either reimbursements or in-kind assistance. Michigan's counties were allowed to use up to 10 percent of their contract funds to help participants with special expenses; local offices have provided funds for repairing a snowplow for a participant's snow removal business and buying diesel machine tools for another person needing them to secure a particular job. Michigan also paid relocation expenses for people wishing to move in order to find employment. The work program office in Bangor, Maine, had collected a closetful of clothes for interviews and sometimes bought second-hand clothing for participants.

Internal Needs

In addition to "external" needs for transportation and child care, many work program participants need help with emotional, attitudinal, and family difficulties. According to program officials, AFDC recipients often lack self-esteem, self-confidence, or habits and attitudes that are necessary for success at work, such as punctuality, appropriate dressing, or commitment to the employer. Program staff also encounter participants with severe emotional problems or a history of drug or alcohol abuse or child abuse. An individual with extreme personal difficulties needs help in resolving them before participating in an activity that is directly related to employment.

To some extent, the major work program activities themselves help participants deal with emotional and attitudinal problems. For example, some program staff see work experience as building people's confidence that they can succeed at work. Supported work focuses on people who need confidence and improved work habits and attitudes. Job search workshops can help with these problems by offering group support.

In some programs, staff exempted people with serious attitudinal or emotional problems. But, we also observed programs that provided or tried to help participants locate special services before or while they participated in a work, education, or training activity. For example, one activity in Oklahoma's E&T program was a five-session orientation to work, which covered topics such as self-understanding, the employment process, and goal setting. The activity attempted to build self-esteem and peer support. Programs often used other agencies, through contract or referral, to provide such services. Using existing programs, counties participating in Minnesota's CWEP sponsored a Personal Effectiveness Group for CWEP participants, which provided individual and group counseling on family finances and human relations for participants desiring such help. Two Michigan counties contracted for "motivational training" classes for their participants. Programs also referred people to drug and alcohol treatment and mental health services.

An example from Texas illustrates the severe internal problems facing welfare recipients and the insight and resourcefulness required in dealing with them. The San Antonio office of the Texas Department of Human Services contracted with a private nonprofit agency for women to provide a 4 week job readiness course for WIN Demonstration participants. The program served women who had some job skills, but were discouraged by past attempts to find a job, or whose personal lives were so unsettled that they could not hold a job for long. Participants were given group and individual counseling on keeping a job and how to improve

their attitudes and appearance, time management, balancing children and work, and other issues. Because of the nature of their past relationships with men, many participants had great difficulties in dealing with local hiring officials, (mostly men), according to program staff. To help the women become accustomed to dealing with men in positions of authority, the program used male employment counselors.

People With Multiple Needs

According to work program staff, some AFDC recipients have a combination of barriers to participation such as needs for child care and transportation, and attitudinal problems. In our site visits, we observed a pattern of programs exempting people with multiple needs. For example, in Beaufort County, South Carolina, women who could not get to worksites and back home within the time their children were in school were exempted from CWEP. In Texas, women with several children were exempted when it would take too long to get from home to the various child care providers and then to the program site. To stretch support service dollars, Maine WIN Demonstration staff tried to help registrants meet primary needs and expected them to meet other needs themselves.

Conclusions

The issue of support services illustrates that providing employment services to AFDC recipients is a difficult task. Because recipients can have several barriers to employment, the programs must be prepared to provide, or arrange for participants to receive, several services in addition to the primary employment or training services of the program.

Lack of data poses a serious problem in the attempt to determine how many people eligible for work programs need support services, how many receive them, and what services they actually receive. We do know that work programs on the whole spend little of their own funds for services, relying heavily on funds from other programs. Program managers and staff often use great creativity and resourcefulness in finding alternative sources and patching them together. Even so, evidence from our site visits suggests that significant numbers of people are excluded from participation because they lack child care or transportation. In particular, people with a combination of needs may be excluded from the programs.

If the work programs were to be expanded to reach a larger share of the AFDC population, particularly women with children under 6, support service needs could increase. This would require increased spending, by

either the work programs themselves or the programs they rely on, such as title XX.

Even with vastly increased spending, work programs could not solve all the child care, transportation, and other support service needs of participants either before or after they leave the programs. Many of these needs stem from broader problems not under the control of the work programs, such as shortages of child care and lack of mass transportation in many areas. In addition, many of participants' support services needs continue and even intensify once they leave the programs. If more AFDC recipients are to become self-sufficient, these problems must be addressed.

Program Results

Findings:

- The few available evaluations of AFDC work programs suggest modest but encouraging results for participants without work experience; however, the economy may limit opportunities in some locations.
- Wages of the jobs that participants find are generally low, which may be related to the limited services many receive.
- Finding a job does not mean going off AFDC; in half the programs, over 50 percent of participants who found employment remained on AFDC.
- Programs have other benefits such as increasing self-esteem, reaching intermediate steps to employability, or providing services of value to the community. They can also have detrimental effects such as displacement of other workers though evidence of this is mixed.
- The number of job placements and the duration of these jobs may be limited by the fact that some clients placed in low-wage jobs are worse off than before due to the loss of AFDC and Medicaid benefits and increased child care and transportation costs.

Implications:

- Available evidence suggests that the impact of the programs, although positive in some cases, most likely will be modest and difficult to replicate.
- Evidence suggests that encouraging programs to work with people having more severe barriers to employment could improve long-term program effectiveness.
- Efforts to place people in higher-wage jobs or continuation of medical, child care, and transportation assistance once participants become employed might improve programs' long-term effectiveness.

Measures of an AFDC work program's success can range from success stories for individuals or simple placement rates, to comparison of employment rates of participants and nonparticipants. The level of earnings of participants and the quality of their jobs and reductions in welfare receipt among those placed in jobs are also measures, as are welfare outcomes of participants compared to nonparticipants and the duration of the jobs found. Other types of measures are increases in the education and skills of participants, and even the value of work performed for the community. Some benefits, such as increases in participants' psychological well-being and that of their families, are not easily quantifiable.

Available evidence indicates that work programs can boost the employment and earnings of participants by modest amounts. But the earnings of those who find jobs are sometimes too low to move them off the welfare rolls. Lack of uniform data collection by the AFDC work programs, especially on indicators of job quality and duration, hampers judgment of the success of AFDC work programs. The current paucity of credible evaluations further exacerbates this problem.

Effects on Employment

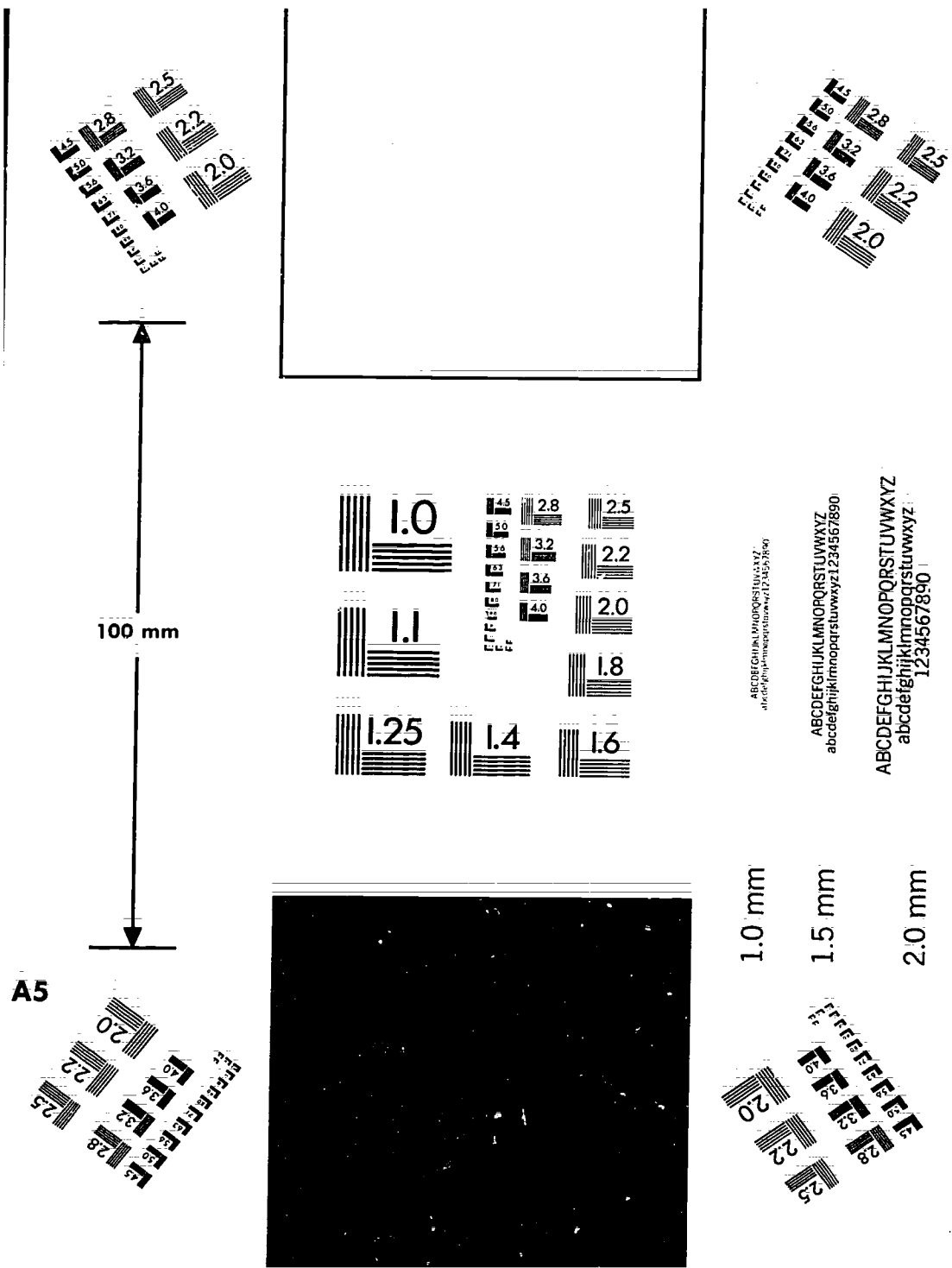
Work programs' effects on employment are important indicators of their success at achieving both immediate welfare reductions and enhancing long-term employability. These effects can be seen through individual success stories, program placement rates, and controlled experiments.

Individual Successes

Unquestionably, AFDC work programs help some individuals. Every program has success stories of people whose lives have been changed by its intervention. As a result of work program participation, former AFDC recipients are now running home day care centers, working as health insurance claims processors, and working as civil servants after proving themselves to the community. But individual success stories are not enough to justify a program. It is necessary to know how many such stories there are, which requires data collection.

Simple Placement Rates

Programs use various measures of success in setting standards for themselves and the other agencies or contractors providing program services, and in measuring their success in meeting those standards. Because there are few federally mandated reporting requirements or performance standards, states use several different, noncomparable measures. These include the absolute numbers of people placed in jobs, the number



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of job placements as a proportion of program registrants or participants, and the number of people entering employment per staff member.

The 55 programs that could provide data on job placements (out of 61 we surveyed) reported that approximately 270,545 participants found unsubsidized employment in 1985. Of the fiscal year 1985 participants in the median program we surveyed, 29 percent had found unsubsidized employment when GAO's questionnaire was completed, as table 6.1 indicates.¹ Only one-quarter of the programs placed fewer than 20 percent in jobs, while only a quarter placed more than 41 percent. The four program types had similar median placement rates.

Table 6.1: Placement Rates by Program Type (Fiscal Year 1985)

Figures are percentages					
Placement rate	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Minimum	7	16	20	0	0
25th percentile	20	25	21	19	21
Median	33	28	32	25	29
75th percentile	42	42	43	34	41
Maximum	84	59	46	38	84

Placement rates do not prove a program successful or one program more successful than another; some participants who became employed would have done so without the program. Thus, an assumption that work programs are responsible for all their participants who enter employment would be misleading. Moreover, participants' characteristics differ across programs; those with a more job-ready clientele might have higher placement rates than other programs without being more effective. Similarly, programs differ greatly in their economic environments, which also may affect placement rates. A 1979 study by the Urban Institute found that the labor market and demographic characteristics of participants accounted for about one-third to one-half of the differences in performance, measured by placement rates among other indicators, among local WIN programs.² Thus, it is inappropriate to make

¹We did not count work experience, CWEP, grant diversion, and other on-the-job training positions while the client was in the program as "placements." Some diversity in placement rates may be caused by the fact that different programs answered the questionnaire at different times between January and March 1986. Programs that answered it later might have had higher rates than those answering it earlier. Moreover, some programs were starting up or phasing out in FY 1985, which would tend to reduce their placement rates.

²John J. Mitchell, Mark Lincoln Chadwin, and Demetra Smith Nightingale, Implementing Welfare Employment Programs: An Institutional Analysis of the Work Incentive (WIN) Program. (Washington, DC: Department of Labor, 1980), p. xv-xvii.

judgments about the relative effectiveness of different programs based on placement rates alone.

Success of Program Enrollees Versus Control/ Comparison Groups

To dissociate a program's effect from the effects of other factors such as normal welfare turnover, program evaluations use control or comparison groups to approximate what participants would have done in the program's absence. The Manpower Demonstration Research Corporation is evaluating programs in eight states using randomly selected control groups, but final reports are available for only three states. As an example of a control group's usefulness, MDRC's evaluation of San Diego's job search/work experience program showed that although 61 percent of participants worked in the 15 months following enrollment, 55 percent of a randomly selected control group worked during the same period. Thus, the true effect of the program was a 6-percent increase in employment, not a 61-percent increase.³

While a few states have evaluated their programs, the lack of adequate comparison groups produced biased estimates of program results. Several programs comparable to some of the current work programs, such as WIN, CETA, and the National Supported Work Demonstration, were evaluated in the 1970's,⁴ although some of these studies also failed to control adequately for differences between the participant and comparison groups.⁵ Some of these studies measure changes in earnings instead of employment rates; increased earnings can result from increases in either employment or wage levels.

Modest Positive Results

The available evaluations suggest that work programs have modest but encouraging results. MDRC has completed evaluations of three programs:

³Judith Gueron, *Work Initiatives for Welfare Recipients: Lessons from a Multi-State Experiment* (New York: Manpower Demonstration Research Corporation, 1986), p. 45.

⁴See Carl Wolfhagen with Barbara S. Goldman, *Job Search Strategies: Lessons from the Louisville WIN Laboratory* (New York: Manpower Demonstration Research Corporation, 1983); U.S. Congressional Budget Office and National Commission for Employment Policy, *CETA Training Programs: Do they Work for Adults?* (1982); Westat, Inc., *Continuous Longitudinal Manpower Survey: Impact on 1977 Earnings of New FY 1976 CETA Enrollees in Selected Program Activities* (Net Impact Report No. 1) (Rockville, MD: Westat, Inc., undated); Ketron, Inc., *The Long-Term Impact of WIN II: A Longitudinal Evaluation of the Employment Experiences of Participants in the Work Incentive Program* (Wayne, PA: Ketron, Inc., 1980); Manpower Demonstration Research Corporation, Board of Directors, *Summary and Findings of the National Supported Work Demonstration* (Cambridge, MA: Ballinger, 1980).

⁵Jean Baldwin Groseman and Audrey Mirsky, *A Survey of Recent Programs Designed to Reduce Long-Term Welfare Dependency*, (Washington DC: Department of Health and Human Services, 1985), p. 18.

one in San Diego in which a portion of the experimental group received only job search services while the rest received job search followed by work experience; a WIN Demonstration in Arkansas providing job search, followed by work experience for those who failed to find a job; and a Baltimore WIN Demonstration offering a variety of services including education and training.⁶ These evaluations found that the experimental groups were employed at a rate 5 to 7 percentage points higher than the control groups during a 6- to 15-month follow-up period beginning about 3 months after enrollment, which took place between 1982 and 1984.⁷ San Diego experimental group members earned on average \$700 more per year than control group members during the 15-month follow-up period; average earnings increased by \$78 during 6 months in Arkansas and \$176 during 12 months in Baltimore. Previous studies estimated that WIN, CETA, and other earlier employment programs serving welfare recipients had similar impacts on employment, improving it by 5 to 10 percentage points. Impacts on annual earnings ranged from under \$300 to \$1,500.⁸

Some researchers have concluded from available evaluations that more intensive services such as training, work experience, and education have greater impacts on employment and earnings than do job search assistance and placement.⁹ This conclusion, however, depends in part upon estimates of the separate effects of different components of the same program, which may be biased because different types of participants may have been selected into different activities.¹⁰

Caution should be applied in generalizing MDRC's evaluation results to the nation as a whole. States that chose to participate have displayed a great deal of commitment, illustrated by their willingness to employ

⁶Barbara Goldman, Daniel Friedlander and David Long, Final Report On The San Diego Job Search And Work Experience Demonstration (New York: Manpower Demonstration Research Corporation, February, 1986); Daniel Friedlander, et al., Arkansas: Final Report on the WORK Program in Two Counties (New York: Manpower Demonstration Research Corporation: September, 1985); Daniel Friedlander, et al., Maryland: Final Report on the Employment Initiatives Evaluation (New York: Manpower Demonstration Research Corporation, December, 1985). Two additional reports—on programs in Virginia and West Virginia—have been released since the time of our study.

⁷Gueron, pp. 27, 31, 32. A small number of control group members received alternative employment and training services through the WIN program.

⁸Grossman and Mirsky, pp. 18, 25.

⁹Grossman and Mirsky, p. 19-20; Jean Baldwin Grossman, Rebecca Maynard, and Judith Roberts, Reanalysis of the Effects of Selected Employment and Training Programs for Welfare Recipients (Princeton, NJ: Mathematica Policy Research, Inc., Oct. 1985), p. 12.

¹⁰Grossman and Mirsky, pp. 20-21.

random assignment. Moreover, as participants in an experiment, they received special attention and assistance.

**Less Employable Benefit
Most**

Work programs' employment and earnings effects seem better for participants with less work experience. For example, MDRC found that, while the Baltimore Options Program increased the employment rate of program participants with previous work experience by 2.9 percent in the fifth quarter after enrollment, the rate for those who had never worked rose by 6.3 percent.¹¹ Studies of WIN, CETA, and other employment programs also estimated greater impacts for those with less work experience.¹² There is no conclusive evidence, however, on the relationship between program impacts and the educational status of participants.¹³

The greater impact on the less experienced occurs despite the fact that those with work experience had much higher actual employment rates after the program than those with no prior employment. The point is that those without work experience would do much worse in the absence of the program than those with work experience, more of whom would find jobs on their own. Thus, looking at placement rates alone makes programs seem more effective for those with work experience. This provides an incentive for programs to serve the more job-ready welfare recipients, even though the hardest to employ benefit most from the programs.

**Wage Rates and
Quality of Jobs**

Whether program participants find jobs is not the only measure of success. The types of jobs they find are important as well. The wages and hours a job provides determine the immediate AFDC savings resulting from the placement. And if a work program numbers among its goals enhancing the long-term prospects for self-sufficiency of AFDC recipients, the types of jobs program participants find are very important. Placement in an unstable job or one that does not provide adequate earnings or benefits to support a family may not improve an AFDC recipient's long-term prospects for staying off welfare.

¹¹Friedlander, et al., p. 138.

¹²Grossman and Mirsky, p. 21; Wolfhagen and Goldman, p. xvi; Congressional Budget Office and National Commission on Employment Policy, p. 26; Westat, Inc., p. vii; Ketron, Inc., p. 84.

¹³Grossman and Mirsky, p. 23.

Incomplete data is a major problem in assessing the quality of the jobs found. Of the 61 programs surveyed, 15 were unable to provide the wage rates of program participants who found jobs. Only 57 percent of the programs surveyed reported that they collected data on the occupations in which participants found unsubsidized jobs, 34 percent of the programs collected data on the occupations for which they were trained, and 41 percent collected data on the occupations in which they received work experience.

Data collected by the work programs surveyed by GAO show that the hourly wages of the jobs participants found were generally low (see table 6.2). Of the 45 programs providing data, about half indicated that the average hourly wage of participants who found jobs was under \$4.14. In only a quarter of the programs was the average hourly wage for jobs found greater than \$4.47. The federal minimum wage is \$3.35 an hour. Average wages varied little by program type. However, some programs did better than others; nine programs had an average hourly wage of more than \$5.00.

Table 6.2: Average Hourly Wages of Participants Who Found Jobs by Program Type (Fiscal Year 1985)

Average hourly wage	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Minimum	\$3.66	\$3.35	\$4.14	\$3.68	\$3.35
25th percentile	3.80	3.63	4.19	3.79	3.80
Median	4.11	3.98	4.32	4.27	4.14
75th percentile	4.44	4.89	5.17	4.42	4.47
Maximum	6.56	5.66	5.17	5.23	6.56

Note: The federal minimum wage is \$3.35 an hour.

One reason for the low wages of work program graduates may be that many received only job search services. As mentioned in chapter 4, job search, unlike education or training programs, does not improve participants' skills but helps them find jobs for which they are already qualified. Previous studies have shown that group job search moves individuals into entry-level, low-wage jobs.¹⁴

Another reason for the low wages obtained by work program participants may be that many find jobs in the clerical and service fields traditionally reserved for women. Our visits suggest that programs may not try to channel women into higher paying or traditionally male occupations through training or direct placement efforts or may have difficulty

¹⁴Goldman, Friedlander, and Long, p. 78.

doing so. Job Training Partnership Act sponsors also seem to be making few efforts to encourage women toward nontraditional occupations, according to a recent study.¹⁶ But women placed in nontraditional occupations under JTPA Title IIA had much higher wages than those of other women in JTPA and sometimes as high as those of male participants. But it may be unrealistic to expect the programs, under current funding constraints, to channel many women into training for traditionally male occupations, since many might require extensive educational preparation before beginning training.

Effects on Welfare Receipt

Work programs' effects on welfare receipt are important both for those concerned about their immediate impact on the welfare rolls and those more concerned about the long-term prospects for self-sufficiency of program graduates. Effects on welfare receipt can be measured by program data on participants who have their grants reduced or eliminated, and program evaluation results using control or comparison groups.

Welfare Grant Terminations

For many work program participants, finding a job does not mean going off AFDC. Half of the programs reported that more than 48 percent of their participants remained on AFDC when they found employment (see table 6.3). A welfare recipient who finds a job can remain on AFDC if his or her countable income continues to be below a level set for each family size by the state (its payment standard). The high proportion remaining on AFDC may reflect either the low-wage jobs discussed in the previous section or a tendency of work program participants to take part-time jobs, or both factors. It is also related to the requirement that states disregard a portion of earnings for 4 months, as well as certain amounts for child care and other work-related expenses, in determining income for calculating AFDC benefits. Even though a client remains on AFDC, the program could still realize some savings through grant reduction due to increased income.

¹⁶Katherine Solow and Gary Walker, The Job Training Partnership Act: Service to Women (New York: Grinker, Walker, and Associates, 1986), p. iv, 33.

Table 6.3: Percent of Employed Work Program Participants Remaining on AFDC by Program Type (Fiscal Year 1985)

Figures are percentages					
Percent remaining on AFDC	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Minimum	13	0	20	0	0
25th Percentile	40	10	23	4	20
Median	50	26	26	20	48
75th Percentile	70	59	85	85	70
Maximum	88	88	95	100	100

The proportion of work program participants finding jobs who remained on AFDC ranged from 0 to 100 percent. The wide variation between programs may be in part due to differences in the ways states calculate AFDC benefits. In states with relatively low income cutoffs for receipt of AFDC, termination of grant payments may be the most frequent result of employment, while in states with higher standards, more program terminees may have their benefits reduced than have them terminated.

Program Enrollees Versus Control or Comparison Groups

Like the data GAO collected, program evaluations show that employment outcomes are not necessarily translated into proportionate reductions in welfare expenditures. According to MDRC's evaluations, work programs do not affect welfare receipt as consistently as they do employment and earnings. Of the three programs MDRC evaluated, only one reduced the number of people receiving AFDC and another cut the size of the average benefit received, both resulting in welfare savings. The third program affected neither the number of people receiving welfare nor the average size of benefits.¹⁶

Evidence on Deterrence

As mentioned above, some policy makers see work programs as a way of deterring people from applying for or staying on AFDC. Deterrence is difficult to measure because of the difficulties of identifying people who did not apply for welfare because of the program. Once a person begins participating in a program, it is impossible to say whether his or her leaving AFDC is due to deterrence, the positive effects of the program, or normal welfare turnover. Analyses by MDRC¹⁷ and the Pennsylvania

¹⁶Gueron, pp. 28-32. Evaluations of earlier programs showed smaller effects on welfare payments than on earnings. However, these results are of limited relevance today because the programs were conducted before the AFDC rules governing the treatment of earnings were changed in 1981, resulting in a greater reduction in benefits for recipients with earned income (See Grossman and Mirsky, p. 18).

¹⁷Goldman, Friedlander, and Long, p. xvii.

Department of Public Welfare¹⁸ of the deterrent effects of the CWEP programs in Pennsylvania and San Diego found no evidence that deterrence was occurring, but the treatment of deterrence in both studies had serious limitations. Case workers we interviewed expressed the belief that participation requirements induce some people to withdraw their applications or drop off the rolls, often because they already have unreported earnings. The case workers, however, had no idea of the magnitude of the effect.

Duration of Jobs Found

The duration of the jobs found is an important indicator of the success of work programs at improving participants' opportunities for long-term self-sufficiency. Only 33 of the 61 programs we surveyed, however, followed up on their 1985 participants after they left the programs to find out whether they remained employed. Almost all programs that conducted any follow-up did so 30 days after participants were employed—a very short period in which to measure job retention. Only 13 programs followed up with participants beyond the 30-day period.

According to the limited data available, while some former work program participants lost their jobs within a month, many retained them for longer periods of time. After 30 days, about 86 percent of participants who found jobs were still employed in the median program among those which conducted any follow-up, as shown by table 6.4. Few programs collected data on job retention beyond 30 days, but the limited data they reported are displayed by table 6.5. At 90 days after employment, the five programs collecting the data reported between 56 and 72 percent still employed, with a median of 65 percent. At 180 days after employment, the seven programs that collected data reported from 22 to 78 percent still employed, with a median of 62 percent.

¹⁸Pennsylvania Department of Public Welfare, Evaluation of Pennsylvania Community Work Experience Program (Philadelphia: Jan. 1986), pp. 90-96.

Table 6.4: Percent of Participants Still Employed After 30 Days by Program Type (Fiscal Year 1985)

Numbers are percentages, except last two lines					
Percent still employed	WIN Demonstration	CWEP	Job search	Work supp./ grant div.	All programs
Minimum	61	85	89	78	61
25th percentile	83	•	•	79	83
Median	85	91	•	85	86
75th percentile	90	•	•	90	90
Maximum	92	97	89	90	97
No. reporting	19	2	1	4	26
No. missing	6	18	5	6	35

Table 6.5: Percent of Participants Still Employed Beyond 30 Days After Employment (Fiscal Year 1985)

Numbers are percentages, except last line		
Percent still employed	90 Days	180 Days
Minimum	56	22
25th percentile	61	34
Median	65	62
75th percentile	71	65
Maximum	72	78
No. of Programs Reporting Data	5	7

MDRC's evaluations suggest that work program participants maintained their improvements over control groups for at least two years, although some of their advantages decreased in size. Tracking subsamples of early enrollees for 24 months in San Diego and Baltimore and 15 months in Arkansas, MDRC found that the AFDC-Regular experimental group in San Diego and the experimental group in Arkansas, also composed of AFDC-Regular recipients, continued to surpass their control group counterparts in terms of employment. The differential between the experimental and control groups in welfare receipt actually grew in Arkansas but decreased in San Diego.¹⁹ In contrast, AFDC-UP participants in San Diego quickly lost their advantage over controls in employment and earnings while they continued to be less likely to receive welfare.²⁰ In Baltimore experimental-control differences in employment and welfare receipt dropped over time, although the earnings differentials actually increased.²¹ Evaluations of other employment programs such as WIN,

¹⁹Friedlander, et al., Arkansas: Final Report On The WORK Program In Two Counties, pp. 91, 93, 23, and Goldman, Friedlander, and Long, p. xiv.

²⁰Goldman, Friedlander, and Long, p. 114.

²¹Friedlander, et al., Maryland: Final Report On The Employment Initiatives Evaluation, pp. 118-121.

CETA, and supported work also suggest that participants usually retained significant advantages over comparison groups over 2 to 5 years.²²

Other Benefits

Work programs have other benefits besides the employment, increased earnings, and reduced welfare dependency of their participants. These additional benefits include improvements in participants' employability and self-esteem as well as the provision of useful services to the community.

Improvements in Education and Skills

Programs can produce some results that may be stepping stones to the ultimate goal of enhancing participants' long-term employment prospects. For example, a participant who acquires a high school diploma, remedial education, or increased English proficiency through a work program has become more employable. With current information, we cannot tell to what extent participants take these steps.

Nonquantifiable Benefits

Some work program benefits are hard to measure. For example, getting a job may increase a woman's self-esteem and help her children. Successful work program graduates have said that entry into the world of work has transformed their health, appearance, manner of dealing with their children, and overall personalities. These intangible benefits can be as important as measurable effects on employment and income.

Value of the Work Performed

In addition to the effects of work programs on participants, the programs can also affect the community through the work performed by participants. Participants in CWEPs or the work experience components of WIN Demonstrations provide to public and nonprofit agencies free services that may be of value to the community. In some states we visited, for example, work program participants were helping maintain social services that would otherwise be reduced due to budget cuts. Beaufort County, South Carolina, CWEP participants were preparing food at the local Head Start center and providing child care at another day care center. In Salisbury, Maryland, Basic Employment and Training program participants were an integral part of the staff of the local agency that

²²Congressional Budget Office and National Commission for Employment Policy, p. 11; Manpower Demonstration Research Corporation, Board of Directors, p. 60; Ketron, Inc., p. 83; Wolfhager, pp. 199, 202; Grossman, Maynard, and Roberts, pp. 48-52, 71-74.

provides Head Start, Meals on Wheels, and other low-income or social services programs. In New York City, WIN Demonstration participants were working at schools, hospitals, parks, and welfare centers.

Displacement

While federal regulations forbid the substitution of CWEP participants for regular workers, they also require that the jobs performed not be "make-work" but serve a useful public purpose. If participants are doing meaningful work, however, the question always arises of whether they are displacing regular employees. If displacement occurs, other workers might be out of jobs and possibly go on AFDC themselves. Thus, considering all the work performed by CWEP participants to be valuable might overstate the real value of such work programs because the costs of secondary impacts would not be considered.

In some geographic areas, public employee unions have strongly opposed CWEP due to fears of displacement. The American Federation of State, County, and Municipal Employees (AFSCME) argues that displacement is inevitable whenever a sizeable program exists for a sustained period of time. This leads, the union says, to the creation of a subclass of low-paid employees, erosion of well-paid jobs, and a diminution in the quality of public services.²³

Available evidence on the displacement effects of AFDC work programs is mixed. AFSCME cites a large decrease in the number of civil servants in certain low-skilled job categories since New York City began its workfare program for general assistance recipients (later expanded to include AFDC recipients), at the same time New York City's total work force was being increased. The union has accused the city of using its workfare program to provide low-skilled workers so that increased revenues could be used to hire a different class of worker.²⁴ On the other hand, we observed small CWEP programs whose participants were working at nonprofit agencies that had been severely affected by budget cuts. These cuts may have prohibited the hiring of workers to fill these positions. Further, MDRC's surveys of work experience supervisors in four states also failed to document displacement, suggesting that participants were doing work that could be done by workers already employed

²³Nanine Meiklejohn, "Work And Training Opportunities For Welfare Recipients," Statement Before the Subcommittee on Public Assistance and Unemployment Compensation of the House Ways and Means Committee, June 17, 1986, pp. 4-5.

²⁴Meiklejohn, p. 3.

by the agencies, with no need for additional workers.²⁶ MDRC's findings suggest that displacement did not occur in these sites, but also cast doubt on the value of the work participants performed.

Factors Limiting Program Success

The success of AFDC work programs is limited by a number of factors outside their control. These include economic factors such as the number of jobs available and the wages of these jobs. The welfare system's treatment of the working poor may also limit program success.

Employment Opportunities

The availability of jobs and the quality of the jobs available can limit work program results. Work programs do not create new jobs but attempt to give participants access to existing opportunities. In an area with high unemployment or having few jobs with earnings, hours, benefits and stability adequate to be an attractive alternative to welfare, a work program might have limited success at placing participants into jobs. Program participants in areas hurt by the decline of manufacturing or farming face very different opportunities than do those in areas benefiting from the rise of the service economy. Strong economies such as those in Massachusetts and San Diego offer very different opportunities to work program participants than do those of Pontiac, Michigan, where the decline of the auto industry has forced men and women who had well-paying jobs onto welfare, and Beaufort County, South Carolina, where seasonal resort jobs that are geographically inaccessible to many welfare recipients are among the few sources of employment.

Problems of the Working Poor

Participants whose earnings disqualify them from AFDC may suffer financially from working because their earnings do not make up for decreased AFDC, Medicaid, and Food Stamp benefits and increased expenses. This factor may hamper the efforts of work programs to place welfare recipients in jobs and increase the likelihood that job-finders return to the rolls. For example, Maine's program director found that at the minimum wage, a family of three in Maine would still get AFDC and Medicaid benefits. At about \$4.30 an hour, the family would lose AFDC and Medicaid, receive reduced Food Stamp benefits, and pay child care,

²⁶Friedlander, et al., *Maryland: Final Report On The Employment Initiatives Evaluation*, pp. 217-219; Friedlander, et al., *Arkansas: Final Report On The WORK Program In Two Counties*, p. 168; Marilyn Price, *Interim Findings From The Virginia Employment Services Program* (New York: Manpower Demonstration Research Corporation, May, 1985), p. 97; and Joseph Ball, et al. *Interim Findings On The West Virginia Community Work Experience Demonstrations* (New York: Manpower Demonstration Research Corp., Nov. 1984), p. 132.

transportation and health expenses—and be worse off by about \$1,500 than when the household head did not work. It would take an hourly wage of \$5.00 for the family to break even. The average hourly wage of program participants in Maine was \$4.29.

Health care is a particular problem for low-income workers. Many low-wage jobs do not provide health or other benefits. Families losing AFDC due to an increase in earnings continue to be eligible for Medicaid benefits for four months. Families losing AFDC because they no longer qualify for the 4-month disregard of one-third of their earned income retain Medicaid eligibility for 9 months, which states can extend by an additional 6 months. But after this period, the former recipients are on their own, and case workers in some programs report seeing people leave their jobs in order to regain Medicaid coverage when they or their children develop a health problem.

According to work program staff, many former participants also return to AFDC because their child care or transportation arrangements break down. While participants who remain on AFDC can continue to have up to \$160 per child disregarded from their incomes in determining AFDC benefit levels, those who go off AFDC may have to pay these expenses themselves, although they may claim a tax credit for work or education-related child care expenses. In many states, low-income working parents can obtain child care funded by title XX. However, overall title XX funding has declined since 1981, though recent years have seen some increases, and many states have reduced their child care allocations. The need for subsidized day care often outstrips the availability of such care. Some states have child care assistance programs to facilitate the transition from welfare to work, as described in chapter 5.

Despite the difficulties for low-income workers, there is evidence that AFDC recipients tend to choose work over welfare even when they suffer financially as a result. For example, OBRA made major changes in AFDC that resulted in the loss of benefits for many working recipients and reduced benefits for others. Yet, a GAO study estimated that, in five diverse localities, most working recipients who became ineligible for AFDC continued to work, rather than leaving their jobs to requalify for AFDC.²⁶ But, despite the desire of AFDC recipients to work, personal crises with health care, child care, or transportation may precipitate their return to the welfare rolls.

²⁶ An Evaluation of the 1981 AFDC Changes: Final Report (GAO/PEMD-85-4, July 2, 1985), page iii.

Benefits Compared to Costs

Whether a program's goals are short-term employment or long-term employability, one way of measuring its success is to determine whether it "pays for itself." Impact data from controlled experiments or comparison group studies can be used to develop estimates of the net cost or benefit to society of running a program. This task is difficult, since a number of assumptions must be made, for example, those about the duration of benefits and the degree to which participants who become employed displace other workers. Moreover, some important benefits and costs, such as the increased self-esteem of participants or the intangible costs of taking them away from their children, are not measurable.²⁷ Thus, the results of cost-benefit analysis should be treated with caution.

From the broad social perspective, the benefits of a work program include the increased value of the work done by program participants while in the program and after completing it, as well as their reduced need for other services, such as those of WIN. But reduced expenditures on AFDC and other transfers are not considered as a gain to society, because the gain to taxpayers is offset by the loss of benefits to recipients.²⁸ From this perspective, MDRC's three completed work program evaluations found that the benefits of work programs to society outweighed the costs by between \$100 and \$2,000 per enrollee over the 5 years beginning with enrollment.²⁹ Evaluations of similar past efforts also found that the benefits to society usually outweighed the costs.³⁰

In San Diego, MDRC found that the benefits were distributed about equally between AFDC women, who enjoyed increased earnings, and taxpayers, who benefited from decreased welfare outlays and increased tax revenues. But in Baltimore and Arkansas, one group received most of the benefits. In Baltimore, it was the AFDC women who gained, with the taxpayers breaking even or incurring some net costs. In Arkansas, the taxpayers received most of the benefits, with the AFDC recipients apparently gaining no new income from exchanging welfare for work.³¹

²⁷Friedlander et al, Maryland: Final Report on the Employment Initiatives Evaluation, pp. xxxii, xxxvi, 146; Friedlander, et al, Arkansas: Final Report on the WORK Program in Two Counties, pp. 115-116.

²⁸Friedlander et al., Maryland: Final Report on the Employment Initiatives Evaluation, pp. 143-145.

²⁹Gueron, page 33.

³⁰Grossman and Mirsky, page 24.

³¹Gueron, pp. 33-34.

MDRC also calculated the budget savings produced by the programs through reductions in public assistance outlays and increases in tax revenue paid by program participants who find jobs. From this perspective, MDRC found that both the San Diego and Arkansas programs saved more in reduced welfare benefits and increased tax revenues than they cost over a 5-year period, saving between \$200 and \$1,300 per participant.³² The Baltimore program was found to produce a net loss, although this result might change if more follow-up data were available.³³

In its study of the San Diego work program, MDRC found that the federal government had reaped the largest budgetary benefits, with the state government also getting substantial benefits but that there were relatively small budgetary savings at the local level.³⁴ This finding led to MDRC's conclusion that substantial reductions in or elimination of federal support would leave the state and county no financial incentive to run the program.

MDRC concluded that, in the short run, these programs often cost rather than save money. Almost all costs are incurred up front, when the participant is active in the program, but most of the benefits accrue over time, as participation leads to employment and earnings gains, which in turn lead to increases in taxes and decreases in assistance payments.³⁵

Sophisticated cost-benefit analyses using comparison groups cannot be done for all programs. Instead, programs calculate savings based on their participants only. HHS requires WIN Demonstrations to report the amount of money saved by the reduction or elimination of the welfare grants of those program participants who find jobs. These "savings" are then compared with the costs of the program, to produce a total estimate of savings due to the program. Calculation of such savings requires data (or assumptions) about how long jobs last, how many participants found their own jobs independently of the programs, and how many participants found more than one job in the course of a year (to avoid

³²Goldman, Friedlander, and Long, p. xxv; Friedlander, et al., Arkansas: Final Report On The WORK Program In Two Counties, pp. xxvii, xxix.

³³Friedlander, et al., Maryland: Final Report On The Employment Initiatives Evaluation, pp. 175, x, xxvii, 148. MDRC did its analysis at a time when many people had been out of the program for only a few months and some were actually still in program activities. As a result, it is possible that benefits would be higher if measured at a later date.

³⁴Goldman, Friedlander, and Long, pp. xxvii-xxviii.

³⁵Gueron, page 34.

double-counting). Faulty assumptions or failure to account for such factors have caused criticism of savings calculations by the WIN Program.³⁶

Conclusions

While few reasonably complete evaluations are available, those that have been completed consistently indicate that work programs can have modest success in getting participants into jobs, increasing their earnings, and decreasing their welfare dependency. The programs seem to make the biggest difference to participants without work experience. Wages of the jobs that participants find generally are low, however, and often not high enough to move them off the welfare rolls. Yet, in addition to their effects on employment and welfare receipt, programs can have other benefits, such as the increased self-esteem and employability of participants. Programs also may have detrimental effects such as the displacement of other workers, although evidence of this is mixed.

Several factors may limit the programs' positive results. Many of these are outside the control of the programs. Since work programs do not create jobs, their success in job placement is dependent on the local economy. And some areas of the country can provide few job opportunities. Low wage levels and the rules governing welfare programs mean that some participants who take jobs may be worse off than before due to the loss of AFDC and Medicaid, combined with work expenses such as transportation and child care. Other factors that limit success may be internal to the programs. Their tendency to place participants in low-wage jobs may be related to the concentration on job search services described in Chapter 4.

Providing services to more individuals who lack work experience could increase program effectiveness, evaluations suggest, because the programs seem to make the biggest difference for such people. Because long-term AFDC users consume the most benefits, working with these individuals—who tend to have greater barriers to employment—could help save money in the long run. However, focusing on them costs more, because of the more intensive services required, and takes longer to produce results.

Lack of reliable information hampers a more complete assessment of work programs' success. While continued evaluations are necessary to increase our knowledge of which approaches work best for which

³⁶See *An Overview of the WIN Program: Its Objectives, Accomplishments, and Problems* (GAO/HRD-82-55, June 21, 1982), p. 32.

people, it is not realistic to expect all programs to be continuously evaluated using control groups. Instead, there is a need for better collection of data on such measures of success as wage levels, job quality, and job duration. This would help refine the picture provided by placement rates and crude estimates of welfare savings.

Implications for Federal Policy

Administrative Issues

- States' flexibility to tailor programs to local needs.
- Federal government's role in defining overall program goals and structuring evaluations.
- Federal government's role in running the programs; which state agency should have administrative responsibility.
- Level of federal financial support and the appropriate state contribution.

Participation and Operations Issues:

- Expansion of programs through including women with young children and more people with little education or work experience.
- Increased funding for child care and more education and training services needed to meet participants' needs.

Issues Related to Program Expectations:

- Realistic expectations for program success in view of modest aggregate program effects on earnings and employment.

Program Information Issues:

- Continued support service assistance after participants find jobs.
- Measuring interim program effects to encourage emphasis on long-term self-sufficiency.
- How much information the Congress, federal oversight agencies, and the states need about program operations.
- The best way of compiling and sharing information and the cost of such a system.
- Type of evaluation program needed to take advantage of a rich opportunity to study different approaches.

In the previous chapters, we have presented a national picture of work programs operated by state AFDC agencies. The programs are the culmination of a series of choices about which federal options to use, whom to serve, what services to offer, and how to support participation. Current federal legislation is a conglomeration of options—regular WIN Programs, WIN Demonstrations, CWEP, employment search, and work supplementation. This multiplicity has both given states flexibility in designing and operating their programs and led to a division of administrative responsibilities.

Because this report focuses on programs run by AFDC agencies, it does not address the regular WIN programs. The WIN Demonstrations, however, account for over two-thirds of WIN funds. In addition, regular WIN programs can provide the same services as WIN demonstrations, services that the report discusses.

In choosing programs, several states have used a trial-and-error approach, trying one option, modifying or discarding it, then trying another. Often programs are run on a small scale. Some states have several small programs of different types. Only a third of the programs are statewide. In the 1985 WIN Demonstrations, which were the most comprehensive programs in terms of services, funding, and number of participants:

- About 22 percent of adult AFDC recipients participated in the 1985 fiscal year.
- Participants generally received less intensive services not designed to improve skills or education.
- Relatively small sums—less than \$600 in three-fourths of the programs—were spent per participant, meaning little money went for such activities as training or supportive services.

When the programs are viewed individually, however, the picture is also one of variety. Aggregates and averages obscure the efforts of some programs and the success of individual participants, and miss entirely the innovation evident in many of our site visits. Programs have different goals, from quick job placements to longer-term training. Some programs add large amounts of state funds to the federal government's contribution. And some emphasize services that improve the individual's skills or education.

What do the experiences of current programs imply for federal policy? They can provide insights into such issues as the shape of program

administration, the programs' ability to reach a significant portion of the AFDC population, the potential magnitude of results, and the types of information we need about the programs to assess them more completely.

Administrative Issues

The current programs are a patchwork of administrative responsibilities and funding, put together on an ad hoc basis. They lack overall direction or goals. Administration of the various work program authorities, including the regular WIN Program, is split between AFDC and state employment agencies and at the federal level, between HHS and Labor. The multiplicity of options has some advantages, however. It allows states to tailor their programs to their own local needs within budget constraints and to be creative in trying different approaches. Flexibility does not, however, necessarily require multiple program authorizations.

The programs receive disparate levels of federal matching funds, which in some cases influences the services a program emphasizes and reduces the flexibility states have to design their programs. This encourages decisions about whom to serve and what services to offer that are based neither on need nor potential for success.

Another factor affecting program administration is the temporary nature of the WIN Demonstration authority, which allows state AFDC agencies to run the WIN Program and contributes to flexibility in program design. This authority will expire for many states in 1987. If it is not extended or a new program is not authorized, the WIN Program would revert to dual agency administration, and the current experience of the AFDC agencies could be lost.

Overall federal support for welfare employment programs is shrinking, and the future of the WIN Program itself is uncertain. The administration repeatedly has proposed abolishing WIN and replacing it with a program funded at a 50-percent federal matching rate or with a block grant to the states. Though these efforts have been unsuccessful, the program's funds—which also fund the WIN Demonstrations—have been cut every year since 1981. In 1985, the program received about a third of what it had received in 1974 in constant 1985 dollars. By 1986, WIN funding was 42 percent less than in 1981; by 1987, 70 percent less.

The WIN funds, and to a lesser extent other federal sources, are an essential resource for current AFDC work programs. But programs do not rely totally on federal funds. Half the WIN Demonstrations obtained at least

20 percent of their funds from other sources, a higher percentage than federal matching provisions require.

Thus, at the federal level, administrative issues for future work programs concern

- how much freedom states will have to design their own programs,
- what role the federal government should play in defining the programs' overall goals and structuring evaluations,
- the federal government's role in running the programs and which state agency should have administrative responsibility,
- at what level the federal government will support the efforts, and
- what the state financial contribution should be.

Until these issues are resolved, the environment in which states plan their own efforts is somewhat uncertain.

Program Participation and Operations

Current programs reach only a small proportion of adult AFDC recipients. In states with WIN Demonstrations (the most comprehensive programs, serving by far the most participants), about 22 percent of adult recipients participated in programs that operated during all of 1985. The majority of adult AFDC recipients, women with children under age 6, usually are exempt from participation. In our site visits, we found that some programs also exclude people with multiple or severe barriers to employability. However, few data on participant characteristics are available.

In general, states appear to have chosen to cover larger numbers of welfare recipients by spreading services thinly over many people, rather than providing more intensive and expensive services to a smaller number of people. The WIN Demonstrations offer the widest range of services. Overall, however, most participants in these programs receive less intensive services not designed to improve skills or education, although a few programs do emphasize training and education. Some programs we visited report that a lack of financial resources prevent them from offering the services their participants need. The WIN Demonstrations especially try to supplement their services with other programs' resources, coordination efforts that meet with varying degrees of success.

To participate, AFDC recipients often need support services such as child care, transportation, or counseling on personal problems. Most programs

have some type of support services available to their participants, though they usually spend little of their own money on them. They rely instead on outside sources—some of which (such as title XX) have seen diminishing allocations for needed services—or their own improvised arrangements.

Policy questions related to program coverage and operations center around the possibility of expanding the programs, targeting them differently, and/or using available resources more effectively. The questions also raise the issue of the need for more financial resources.

Expanding or refocusing the programs could mean including women with children under 6, a group that could benefit from employment, training, or education services. In the absence of intervention, members of this group are likely to become long-term welfare users. The question, however, of whether these women should be required or merely encouraged to participate is a difficult one.

Another way to expand or refocus the programs would be to serve more people who are less job-ready because of low educational attainments and little or no previous work experience. Research shows they also are among the most likely to become “long stayers” on AFDC, using a large share of the benefits. Moreover, people with little previous work experience show the greatest improvement after work program services over their counterparts in control groups. Therefore, helping these people could result in bigger benefits for the programs.

While the potential benefits of serving women with young children and the less job-ready are high, so are the potential costs. Women with children under 6 generally need more expensive and frequent child care help than those with older children. Serving people with greater employment barriers means more intensive—and expensive—services such as education and training. As our survey shows, the overall emphasis of current programs is not on this type of service, and the average amount most programs spent per participant suggests they could not afford such activities at current funding levels unless they decreased the number of people served.

The increased funds that any program expansion or increased emphasis on intensive services would require are not currently available to most programs. The major source of work program funds, WIN, has declined by 70 percent in 6 years. Inadequate funding already prevents some programs from meeting their participants' needs. Relying on JTPA at its

current funding level to provide training services most likely would not meet the needs of the AFDC population, since nationally JTPA only serves about 150,000 people a year from this group. Thus, providing more intensive services or serving more people would require either providing more money to the work programs so that they could purchase services for their participants or expanding or retargeting other education and training programs such as JTPA to enable them to serve more welfare recipients.

If already scarce resources cannot be expanded, the research suggests that one way of allocating them would be to target the less job-ready, as potentially they could show the greatest impacts. However, this approach would result in fewer people being served. The choice of who receives services is difficult for program administrators, since many people could benefit.

The administration has proposed expanding programs by mandating high participation rates. Yet the data suggest that states already are trying to spread their funds over larger numbers of participants by providing less expensive services such as job search or direct placement. High mandated levels of participation with continued limited funding would likely exacerbate the tendency to serve more welfare recipients in inexpensive options while providing fewer with the education and training services they may need.

Modest Results Likely

The few available program evaluations indicate modest improvements in participants' employment and earnings, and in some cases, limited welfare savings. These studies show work programs can have positive effects. But the limited number of evaluations do not allow for generalization across all programs, since program and participant characteristics vary. Local factors such as program resources and experienced staff make replicating individual programs difficult.

To measure success, most programs use placement rates that are not compared to the performance of control groups. Such data can be misleading with regard to a program's true effects and tell little about the quality of the jobs found. Available data on average wage rates and continued AFDC receipt after finding work show that many who successfully complete the programs end up in low-paying jobs. Many do not leave AFDC, although their benefits are reduced.

Several factors can affect programs' and individuals' success. The programs do not create jobs and therefore cannot provide them when the economy does not. In addition, the transition from program to work can be hard for participants, who must find child care and transportation, arrangements that can easily break down. Finally, people in low-paying jobs without health insurance are vulnerable to a lack of affordable medical care. Thus, an inability to find support services or health care can impede placement in a job or encourage a return to AFDC.

The programs have benefits other than those related to participants finding work. Some are measurable, others are not. Educational attainments, such as qualifying for a GED, learning English, and increasing reading proficiency, could be measured. Increases in participants' self-esteem also help make an employment program worthwhile, but are difficult to measure. Other benefits are not related to the participants themselves. One is the value of the work performed for public and private nonprofit agencies by work experience participants. Another is the value society places on having welfare recipients engaged in productive work or training activities.

These points raise several issues for work program policy. Modest effects in terms of aggregate job placements do not necessarily diminish the programs' value. But they do caution against unreasonable expectations about job placement results. In addition, no particular program design has been shown to work best, and successful programs are difficult to replicate from one site to another. Therefore, the flexibility to try different approaches, allowing jurisdictions to find out what works best for them, is an important aspect of program policy.

Continued assistance with child care and health care could increase placements and lengthen job retention, increasing program effectiveness. While some states extend the period in which people continue to be eligible for Medicaid after leaving AFDC, former work program participants with low earnings are at risk of being without health coverage for themselves and their families. Attempting to place people in jobs with higher wages and health benefits might also enhance placement rates and job retention. But aiming at higher wage jobs, like serving people with greater employment barriers, requires longer-term, more expensive services.

Another issue concerns how to measure success. Programs aiming at long-term self-sufficiency must go beyond simple measures of job placement to indicators of job retention, job characteristics (such as potential

for upward mobility and availability of health benefits), and educational attainments. Tracking interim progress prior to entering the job market could help programs assess the achievements of the hard-to-employ. A policy that recognized such achievements could encourage programs to work more with this group. Stressing job quality might encourage programs to work more on placing people in higher paid, longer-lasting jobs.

Finally, aspects of a work program other than purely work or training-related measures can increase the programs' worth for different people. Some find a program worthwhile because it returns the value of welfare benefits to society through work performed. Others consider the potential to break the cycle of poverty for even a small group of long-term welfare recipients and their children to be a program's highest value.

Program Information

A major barrier to describing the programs and their results is the lack of standardly-defined information comparable across programs or, in some areas, any information at all. Programs define participation in different ways. Basic information such as whom the programs serve, how many people need support services but cannot get them, what types of jobs people find, and how long they keep their jobs and stay off welfare is unavailable from many programs.

More reliable, complete, and consistent information could help states improve their programs by giving them a better understanding of their accomplishments and permitting comparisons with other states' programs. Systems that provide good information, however, can be expensive to administer and burdensome to those who must collect and compile the data. In addition, the states need a way to share their experiences. Staff of several programs we visited said the federal oversight agency (in the case of the current programs, HHS) could take more of a "clearinghouse" role, systematically collecting and distributing information and facilitating the exchange of methods and approaches among states. Thus the policy questions are: How much do the Congress, federal oversight agencies, and the states themselves need to know about program operations? What is the best way of compiling and sharing the information? And how much would such a system cost?

A related issue concerns the type of evaluation strategy needed. Several important questions about work programs' administration and effects remain to be answered, such as: What approaches work best for which people, and how can results be used to design service packages? Do more expensive services such as training and education pay off in the long

run? What is the most efficient and effective way to deliver employment and training services to welfare recipients? Do the problems poor women face in the work place eventually overcome any gains made through a work program? The current diversity of state programs provides an opportunity to compare different approaches, but this opportunity could be lost if more rigorous evaluations are not planned. The numerous and varied experiments since 1981 have yielded few quality evaluations. Without good evaluative data, the same questions that work programs have raised for 20 years will continue to go unanswered.

Matters for Congressional Consideration

The current work programs are a positive development toward making AFDC something more than an income-maintenance program. While it is inappropriate to generalize from a few programs, evaluations have shown that some programs can help AFDC recipients improve their ability to find jobs and reduce their need for welfare. There is not enough information to prescribe one approach over another. Several legislative proposals were offered in the 99th Congress to reform work program policy, in part in response to current programs' experiences. In addition, differing funding provisions, the division of administrative responsibilities, and overlapping services found in current program law, together with shrinking funds and the uncertain future of WIN and the WIN Demonstrations, necessitate some changes. Therefore, the Congress should consider several matters in reexamining federal work program legislation and shaping it into a more streamlined, coherent authorization that still would encourage and facilitate innovation in the states. Some essential points to be considered include:

- State flexibility in program design—Although the authorizations for the WIN, WIN Demonstration, and IV-A programs are inconsistent in funding and administrative provisions, states can offer a wide range of services tailored to local needs. One unified, coherent program authorization could still allow this flexibility and eliminate conflicting or overlapping provisions and funding disparities.
- Adequate and stable funding—To make commitments and plan their programs, states need some level of confidence that funding will be stable and the federal government supports the programs. In addition, a uniform federal matching rate for all work program options would help programs offer the services they wish to emphasize. The current system at times causes states to choose lower cost options or options for which they can get additional federal funds, rather than the services their participants need.

- Encouraging states to serve more people from specific groups such as the hard-to-employ—Deciding who should receive services is difficult, as many AFDC recipients could benefit. Programs should not be discouraged from serving any group of people, either those with a history of work and education or those with severe barriers to employment. However, programs at times are unable to serve the latter group. When compared to similar people who did not receive program services, people with less work experience can show greater improvements after being in a program than do people with more work experience.

In addition, helping long-term AFDC recipients—or people likely to be—could save money over time, because they receive the bulk of benefits. Yet, they also need longer-term, more expensive training and education services. Recognizing such intermediate steps as improving reading levels might encourage programs to serve more people from this group. In addition, scarce resources mean work programs must develop good relationships with other training and education programs to help provide needed services.

- Including women with young children—While a mandatory requirement for women with children under 6 may not always be desirable or feasible, voluntary participation in work programs should be increased, especially in programs designed to help participants finish school or obtain skills training. Women whose children are very young when they enter the welfare rolls are more likely to be long-term AFDC users. Yet, greater participation for this group will require more funding for child care support.
- Adequate support services—More needs to be learned about the adequacy of current services in terms of how many people need them, but do not receive them and whether the formal day care available meets the demand for it. If programs are expanded and especially if they target women with young children, more services would be needed. In addition, providing support services when the participant finds employment would aid the transition, a difficult time of adjustment. Another important issue is providing continuing health coverage to people whose jobs do not provide such benefits.
- More sophisticated measures of performance—Programs now often rely on placement rates to indicate performance, yet this measure tells little about how well participants are being served and program effectiveness. More helpful measures would include those that indicate the potential for jobs found to lead to self-sufficiency, such as how long a job is retained after a participant finds work and its potential for advancement. Other measures, such as progress in remedial education or

number of GEDs obtained, would encourage states to work with more disadvantaged people by recognizing that they may take longer to show results.

- **Uniform reporting on program implementation and outcomes**—A major problem our study identified was a lack of standardized program information. Standard definitions and data collection would help in the monitoring of programs in the future. At a minimum, a data system should track how well these programs help people stay employed and get off the AFDC rolls. In addition, a well-designed evaluation structure would help compare various approaches and isolate true program effects on individuals.

Survey of Employment-Related AFDC Programs in FY 1985



SURVEY OF AFDC EMPLOYMENT - RELATED PROGRAMS IN FY 1985

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Survey of Employment-Related AFDC
Programs in FY 1985



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

JAN 7 1986

Dear Program Administrator:

In the past few years, many states have been experimenting with new versions of programs to link work and welfare. While some of these programs have received considerable attention, little information is available to provide a comprehensive national picture of what is occurring in all states. To collect the basic information needed to develop such a picture, the General Accounting Office, an agency of the Congress, is surveying all state employment-related programs for AFDC participants.

We believe that the information we collect will be useful to the Congress as it considers work program policy and funding levels in the spring of 1986. The information should also be useful to program administrators like yourself by providing data on what other states are doing in this area. The results of our survey and other research on work and welfare issues will be included in a report which will be made available to you by next summer.

To complete our study, we need information about the employment-related program for which you are responsible. Because our objective is to catalogue work-related programs in all states, it is important that this questionnaire for your program be completed and returned to us within 15 days of the date of this letter. You may use the enclosed, postage-paid envelope to return the questionnaire, or, if it is misplaced, mail the questionnaire to the following address:

Ms. Patricia Cole
U. S. General Accounting Office
441 G Street, N. W., Room 6651
Washington, D.C. 20548

We would be happy to answer any questions you might have. Please contact Patricia Cole at (202) 275-5468. Thank you for your assistance in completing our study.

Sincerely,

Janet L. Shikles
Janet L. Shikles
Group Director
Human Resources Division

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U. S. GENERAL ACCOUNTING OFFICE
SURVEY OF AFDC EMPLOYMENT-RELATED PROGRAMS IN FY 85

GENERAL INSTRUCTIONS FOR COMPLETING THIS QUESTIONNAIRE

--The term "program" used in the questionnaire refers to the program shown above on the label. Please verify that the name of your program is shown correctly, and make any necessary changes in the space provided to the right of the label.

--Based on a telephone call to your state, we have classified your program as:

1. ☐ A WIN Demonstration with at least one IV-A component
(e.g., a CWEP, IV-A Job Search, or Work Supplementation)
2. ☐ A WIN Demonstration with no IV-A components
3. ☐ A Community Work Experience Program (CWEP) only
4. ☐ A job search program only
5. ☐ A grant diversion or
work supplementation program only
6. ☐ Other (SPECIFY): _____ 6/8

If this classification is incorrect, please call Patricia Cole immediately at (202) 275-5468, so that we may discuss the program for which you will be responding. If our information is correct, please answer the questions with the classification checked above as your reference point.

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Survey of Employment-Related AFDC
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--The questionnaire asks for information about program participants, activities, funding, and outcomes. Feel free to discuss the questions with other staff. However, please identify one person responsible for the questionnaire. Please provide the name, title, and phone number of this person should we need more information about your response.

NAME

TITLE

()
PHONE

--Where actual data to answer the questions are not available, your best estimates based on field observations or special studies are acceptable.

--For programs with multiple service delivery sites, please answer the questions for all sites together. Do not provide information for any sites individually.

*
* THANK YOU VERY MUCH FOR YOUR PARTICIPATION. *
*
* IF YOU HAVE ANY QUESTIONS, PLEASE CALL: *
*
* PATRICIA COLE AT (202) 275-4568, OR *
*
* RANDI COHEN AT (202) 275-1886. *
*

Appendix I
Survey of Employment-Related AFDC
Programs in FY 1985

I. GENERAL PROGRAM CHARACTERISTICS

1. In what year were services first offered by this program at any site?

Year services first offered....19

7-8/8

2. Many of the questions in this form refer to fiscal year 1985. If possible, please answer those questions for the 1985 federal fiscal year. If your records are not organized that way, please use the 1985 fiscal year for your program. In either case, indicate the dates for which you are reporting below.

Beginning date:

Month

19
Year

9-12/8

Ending date:

Month

19
Year

13-16/8

3. During fiscal year 1985, did the program serve the entire state or was its coverage limited to a particular service area or areas? (CHECK ONE BOX ONLY.)

1. ☐ Program was statewide and served entire state
2. ☐ Program was statewide, but some areas did not participate due to "remoteness"
3. ☐ Coverage limited to a particular service area(s)

17/8

4. Was the program still offering services as of October 1, 1985?

1. ☐ Yes
2. ☐ No

18/8

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II. ELIGIBLE GROUPS

5. During fiscal year 1985, what was the total number of adults in your program service area(s) and in the state who were either receiving AFDC or were in the process of applying for it? (INCLUDE YOUR SERVICE AREA IN THE STATE FIGURES. IF YOUR PROGRAM SERVES THE WHOLE STATE, PLEASE ENTER "SAME" FOR LINE 2.)

1. Number of FY 1985 adult AFDC applicants or recipients in service area..... 19-25/8
2. Number of FY 1985 adult AFDC applicants or recipients in state..... 26-32/9

6. Does your program have legal requirements: (CHECK ONE BOX ONLY)

1. ☐ Only for registration (CONTINUE WITH QUESTION 7)
2. ☐ Only for participation (GO TO QUESTION 8)
3. ☐ For both registration and participation (GO TO QUESTION 8)
4. ☐ For neither registration nor participation (GO TO QUESTION 10) 33/8

7. How many FY 1985 AFDC applicants or recipients were required to register for your program? (PLEASE GIVE YOUR BEST ESTIMATE OF AN UNDUPLICATED COUNT OF REQUIRED REGISTRANTS.)

Number of FY 1985 AFDC applicants or recipients required to register..... 34-39/9

IF YOU ANSWERED QUESTION 7, PLEASE GO TO QUESTION 9.

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8. How many FY 1985 AFDC applicants or recipients were required to participate in your program? (PLEASE GIVE YOUR BEST ESTIMATE OF AN UNDUPLICATED COUNT OF REQUIRED PARTICIPANTS.)

Number of FY 1985 AFDC
applicants or recipients
required to participate.....

40-45/9

9. During FY 1985, did your program require women with children under 6 to register or participate? (CHECK ONE BOX ONLY.)

1. ☐ Yes

2. ☐ No

46/9

10. How many FY 85 AFDC adult applicants or recipients in your program service area actually participated in FY 85. (PLEASE GIVE YOUR BEST ESTIMATE OF AN UNDUPLICATED COUNT OF PARTICIPANTS. DEFINE "PARTICIPATION" THE WAY YOUR PROGRAM DOES.)

Number of FY 85 AFDC
applicants or recipients
who participated
in program in FY 85.....

47-52/8

11. How many participants (as indicated in Q. 10) were applying for or receiving AFDC assistance as regular recipients, and how many as unemployed parents? (IF THE ANSWER FOR A CATEGORY IS ZERO, PLEASE ENTER "0.")

FY 1985
Participants

Regular recipients..... 53-58/8

Unemployed parents..... 59-64/8

Status unknown..... 65-70/8

TOTAL SHOULD BE SAME AS TOTAL PARTICIPANTS, Q. 10

*80/1

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12. We are interested in the reasons some AFDC recipients or applicants did not register for or participate in the program during FY 85. In your opinion, to what extent did each of the following reasons prevent registration or participation in your program? (YOU MAY KNOW THIS FROM SPECIAL STUDIES OR FIELD OBSERVATION. DO NOT INCLUDE THE LEGAL REASONS FOR AUTOMATIC EXEMPTION FROM WIN REGISTRATION. PLEASE CHECK ONE BOX ON EACH LINE.)

Reason	Extent to Which This Prevented Registration or Participation						
	(1)	(2)	(3)	(4)	(5)	(6)	
	Very Great Extent	Great Extent	Moderate Extent	Some Extent	Little Or No Extent	Don't Know	
Low educational attainment.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/8
Lack of child-care.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6/8
Lack of transportation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7/8
Too few staff..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8/8
Program couldn't provide activity.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9/8
Client already in other program..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10/8
Other (SPECIFY):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11/8

13. We would like to know the number of AFDC applicants or recipients who were sanctioned in FY 1985 for not registering or participating in your program. Please provide those figures below, using either the number of people sanctioned or the number of sanctions imposed.

Number of AFDC applicants or recipients who were sanctioned in FY 1985... _____ 12-16/9

Number of sanctions imposed in FY 85..... _____ 17-21/9

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III. PROGRAM ACTIVITIES

In this section, please describe only those activities that were offered during FY 85 to program participants who applied for or received AFDC assistance.

14. During FY 85, did your program offer any of the following activities to AFDC applicants or recipients at any of its sites? (PLEASE REFER TO THE APPENDIX FOR DEFINITIONS OF ASTERISKED TERMS. CHECK ONE BOX ON EACH LINE.)

<u>Activity</u>	(1) <u>Yes</u>	(2) <u>No</u>	
Work Experience*.....	[]	[]	22/8
On-the-job training*.....	[]	[]	23/8
Supported work*.....	[]	[]	24/8
Vocational skills training.....	[]	[]	25/8
Remedial/basic skills education...	[]	[]	26/8
Post-high school education (at technical institution or college).	[]	[]	27/8
Individual job search.....	[]	[]	28/8
Group job search*.....	[]	[]	29/8
Direct placement assistance by employment agency.....	[]	[]	30/8
Other (SPECIFY) _____	[]	[]	31/8

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15. During FY 1985, how many people participated in each of the activities you checked as "yes" in Question 14? (WITHIN EACH ACTIVITY YOU CHECKED PLEASE PROVIDE AN UNDUPLICATED COUNT USING EITHER ACTUAL FIGURES OR YOUR BEST ESTIMATE. ASTERISKED TERMS ARE DEFINED IN THE APPENDIX.)

Activity	Participants In FY85
Work Experience*.....	32-37/9
On-the-Job Training*.....	38-44/9
Supported work*.....	45-50/9
Vocational skills training.....	51-56/9
Remedial/basic skills education.....	57-62/9
Post-high school education (at technical institution or college)....	63-68/9
Individual job search.....	69-74/9
Group job search*.....	*80/2 5-10/9
Direct placement assistance by employment agency.....	11-16/9
Other (SPECIFY):	17-22/9

16. During FY 85, was transportation assistance available to program participants? (INCLUDE PROGRAM-PROVIDED TRANSPORTATION, AS WELL AS SERVICES DONATED OR PAID FOR BY SOME OTHER SOURCE.)

1. ☐ Yes (CONTINUE WITH QUESTION 17)
2. ☐ No (GO TO QUESTION 20)

23/8

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17. Were your program's funds used to pay for any of the transportation assistance provided to participants during FY 85? ("PROGRAM FUNDS" REFER TO MONEY IN YOUR PROGRAM'S BUDGET. EXCLUDE AFDC SPECIAL NEEDS PAYMENTS.)

1. ☐ Yes (CONTINUE WITH QUESTION 18)

2. ☐ No (GO TO QUESTION 19)

24/8

18. How much did your program spend for transportation assistance provided to participants during that year?

Expenditures for transportation
assistance in FY 85..... \$ _____

25-31/9

19. During FY 1985, did your program rely on any of the following funding sources to provide transportation services in addition to, or in lieu of, services your program provided or paid for? (PLEASE DO NOT INCLUDE SERVICES FUNDED THROUGH YOUR PROGRAM'S BUDGET. CHECK ONE BOX ON EACH LINE.)

<u>Funding Source</u>	(1) <u>Yes</u>	(2) <u>No</u>	
AFDC Special Needs Payments.....	<input type="checkbox"/>	<input type="checkbox"/>	32/9
Services contributed by transit authority.....	<input type="checkbox"/>	<input type="checkbox"/>	33/9
Services provided by employers..	<input type="checkbox"/>	<input type="checkbox"/>	34/9
Title XX:.....	<input type="checkbox"/>	<input type="checkbox"/>	35/9
Other (SPECIFY)_____.	<input type="checkbox"/>	<input type="checkbox"/>	36/9

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20. During FY 1985, was child care assistance available to program participants? (INCLUDE REFERRALS TO CHILD CARE PROVIDERS, PAYMENTS TO PROVIDERS OR PARTICIPANTS, AND DIRECT SERVICES.)

1. ☐ Yes (CONTINUE WITH QUESTION 21)

2. ☐ No (GO TO SECTION IV,
FUNDING SOURCES ON PAGE 12.)

37/8

21. Were your program's funds used to pay for any of the child care assistance provided to participants in FY 1985? (INCLUDE ONLY PAYMENTS MADE FROM YOUR PROGRAM'S BUDGET EITHER TO PARTICIPANTS OR DIRECTLY TO CHILD CARE PROVIDERS. EXCLUDE AFDC SPECIAL NEEDS PAYMENTS.)

1. ☐ Yes (CONTINUE WITH QUESTION 22)

2. ☐ No (GO TO QUESTION 25)

38/9

22. During FY 1985, did your program pay for any of the types of child care listed below? (CHECK ONE BOX ON EACH LINE.)

Type of Care Paid For	(1) Yes	(2) No	
Child care center.....	<input type="checkbox"/>	<input type="checkbox"/>	39/9
Licensed/registered family day care.....	<input type="checkbox"/>	<input type="checkbox"/>	40/9
Unlicensed/unregistered family day care or babysitter outside home.....	<input type="checkbox"/>	<input type="checkbox"/>	41/9
Babysitter in participant's home.....	<input type="checkbox"/>	<input type="checkbox"/>	42/9
Other (SPECIFY).....	<input type="checkbox"/>	<input type="checkbox"/>	43/9

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23. For each type of care which you checked as "yes" in question 22, please indicate the maximum amount the program would pay per month for one child. (PLEASE ENTER THE MAXIMUM ALLOWABLE PAYMENT PER MONTH TO THE NEAREST DOLLAR. IF YOUR PROGRAM HAD NO ESTABLISHED MAXIMUM FOR A PARTICULAR TYPE OF CARE, ENTER "NONE.")

<u>Type of Care Paid For</u>	<u>Maximum Allowed Per Month</u>	
Child care center.....	\$ _____	44-46/9
Licensed/registered family day care.....	\$ _____	47-49/9
Unlicensed/registered family day care or babysitter outside home.....	\$ _____	50-52/9
Babysitter in participant's home.....	\$ _____	53-55/9
Other (SPECIFY): _____		
_____	\$ _____	56-58/9

24. What were your program's total expenditures for child care assistance provided to participants during FY 85? (INCLUDE ONLY PAYMENTS MADE BY YOUR PROGRAM EITHER TO PARTICIPANTS OR DIRECTLY TO PROVIDERS.)

Total program expenditures for child care assistance in FY 85... \$ _____ 59-66/9

*80/3

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25. During FY 85, did your program rely on any of the following funding sources to provide child care services in addition to, or in lieu of, services your program provided or paid for? (PLEASE DO NOT INCLUDE SERVICES FUNDED THROUGH YOUR PROGRAM'S BUDGET. CHECK ONE BOX ON EACH LINE.)

<u>Funding Source</u>	(1) <u>Yes</u>	(2) <u>No</u>	
WIN funds (e.g., for participants in programs that are not WIN demonstrations).....	[]	[]	5/9
AFDC Special Needs Payments.....	[]	[]	6/9
Title XX funds.....	[]	[]	7/9
Other (SPECIFY):	[]	[]	8/9

IV. FUNDING SOURCES

26. For fiscal year 1985, how much money did your program receive from each of the sources listed below? (IF THE ANSWER FOR A PARTICULAR SOURCE IS ZERO, PLEASE ENTER "0.")

<u>Source</u>	<u>Amount Received</u> <u>For FY 85</u>	
Regular federal funds (IV-A).....	\$ _____	9-16/8
Special federal project funds.....	\$ _____	17-24/8
WIN funds.....	\$ _____	25-32/8
State funds (include state matching and other state funds used only for AFDC recipients).....	\$ _____	33-40/8
Local funds (only for AFDC recipients).....	\$ _____	41-48/8
Other funds (SPECIFY):	\$ _____	49-56/8
Source cannot be readily identified.....	\$ _____	57-64/8
TOTAL BUDGET FOR FY 85 RECEIVED FROM ALL SOURCES.....	\$ _____	65-73/8

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27. During FY 85, did other programs or organizations contribute services to your program at no cost to your program? (INCLUDE, FOR EXAMPLE, EDUCATIONAL ASSISTANCE, VOCATIONAL TRAINING, CHILD CARE ASSISTANCE, AND TRANSPORTATION.)

1. ☐ Yes

2. ☐ No

74/8

*80/4

V. PROGRAM RESULTS

Please describe only results that pertain to FY 85 participants who were AFDC applicants or recipients.

28. How many AFDC applicants or recipients who participated in the program in FY 85 were placed in jobs or found them on their own while in the program or after completing it? (EXCLUDE CWEP PLACEMENTS, SUBSIDIZED OJT, GRANT DIVERSION, AND WORK EXPERIENCE ACTIVITIES. IF THE ANSWER IS ZERO, PLEASE ENTER "0.")

Number of FY 85 participants
who were placed in or found jobs.._____

5-10/8

IF THE ANSWER TO Q. 28 IS 0, PLEASE SKIP TO SECTION VI,
REPORTING SYSTEMS, ON PAGE 17

29. Please estimate the average hourly wage level of the FY 85 program participants who were placed in or found jobs while in the program or after completing it.

\$_____ per hour

11-13/9

30. Were follow-up contacts made concerning FY 85 participants who found jobs to find out if they were still employed?

1. ☐ Yes (CONTINUE WITH QUESTION 31)

2. ☐ No (GO TO QUESTION 33)

14/9

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31. Did you use any of the following methods to monitor the participants who found employment? (PLEASE CHECK ONE BOX ON EACH LINE.)

Method	(1) Yes	(2) No	
Contact with all project terminees.....	[]	[]	15/9
Contact with a sample of project terminees.....	[]	[]	16/9
Contact with all employers.....	[]	[]	17/9
Contact with a sample of employers.....	[]	[]	18/9
Contact with all terminees or employers.....	[]	[]	19/9
Review of Unemploy. Comp. accounts.....	[]	[]	20/9
Other (SPECIFY):	[]	[]	21/9

32. Please indicate the time periods during which you monitored these participants, and for each time period used, estimate the percentage of the participants who remained employed at the same or another job. (PLEASE CHECK ALL MONITORING PERIODS USED AND INDICATE A PERCENTAGE FOR EACH PERIOD CHECKED. ROUND TO NEAREST PERCENTAGE.)

Monitoring Period Used	% Remaining Employed	
1. [] Less than 30 days after entering employment.....	%	22-25/9
2. [] 30 days after entering employment.....	%	26-29/9
3. [] 60 days after entering employment.....	%	30-33/9
4. [] 90 days after entering employment.....	%	34-37/9
5. [] 180 days after entering employment.....	%	38-41/9
6. [] Other (SPECIFY)	%	42-45/9

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33. For the FY 85 participants who found jobs, please estimate what percentage remained on AFDC and what percentage went off AFDC at the time of their initial employment. (ROUND TO THE NEAREST PERCENT. ENTER "0" FOR ZERO.)

Percentage who remained on AFDC
at time of initial employment.... % 46-48/9

Percentage who went off AFDC at
time of initial employment
(IF "0", SKIP TO SECTION VI)..... % 49-51/9

34. Were follow-up contacts made concerning FY 85 participants who went off AFDC due to employment to find out if they remained off AFDC?

1. ☐ Yes (CONTINUE WITH QUESTION 35)

2. ☐ No (GO TO SECTION VI,
REPORTING SYSTEMS) 52/9

35. Did you use any of the following methods to monitor the participants who went off AFDC due to employment? (CHECK ONE BOX ON EACH LINE.)

Method	(1) Yes	(2) No	
Contact with all project terminees.....	<input type="checkbox"/>	<input type="checkbox"/>	53/9
Contact with a sample of project terminees.....	<input type="checkbox"/>	<input type="checkbox"/>	54/9
Check of income maintenance records of all project terminees.....	<input type="checkbox"/>	<input type="checkbox"/>	55/9
Check of income maintenance records of a sample of project terminees.....	<input type="checkbox"/>	<input type="checkbox"/>	56/9
Other (SPECIFY):	<input type="checkbox"/>	<input type="checkbox"/>	57/9

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36. Please indicate the time periods during which you monitored these participants, and for each time period used, estimate the percentage of the participants who remained off AFDC due to employment. (CHECK ALL MONITORING PERIODS USED AND INDICATE A PERCENTAGE FOR EACH PERIOD CHECKED. ROUND TO NEAREST PERCENTAGE.)

<u>Monitoring Period Used</u>	<u>% Remaining Off AFDC</u>	
1. [] Less than 30 days after going off AFDC.....	_____ %	58-61/9
2. [] 30 days after going off AFDC.....	_____ %	62-65/9
3. [] 60 days after going off AFDC.....	_____ %	66-69/9
4. [] 90 days after going off AFDC.....	_____ %	70-73/9 *80/5
5. [] 180 days after going off AFDC.....	_____ %	5-8/9
6. [] Other (SPECIFY)_____.	_____ %	9-12/9

VI. REPORTING SYSTEMS

37. Is your program able to report summary statistics about the following demographic characteristics for all or most FY 1985 participants? (PLEASE CHECK ONE BOX ON EACH LINE.)

	(1) Yes []	(2) No []	
Age.....	[]	[]	13/8
Gender.....	[]	[]	14/8
Race or ethnic origin.....	[]	[]	15/8
Education.....	[]	[]	16/8
Work history.....	[]	[]	17/8
Length of time on welfare.....	[]	[]	18/8
Number of children.....	[]	[]	19/8
Age of youngest child.....	[]	[]	20/8
Other demographic data (SPECIFY):	[]	[]	21/8

38. Is your program able to report summary statistics about the occupational categories in which FY 85 participants were trained, received work experience, or found unsubsidized jobs? (PLEASE CHECK ONE BOX ON EACH LINE.)

	(1) Yes []	(2) No []	
Occupations trained for.....	[]	[]	22/8
Occupations received work experience in.....	[]	[]	23/8
Occupations in which unsubsidized jobs were found...	[]	[]	24/8

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39. Can your program provide an unduplicated count of the number of FY 85 participants who received financial assistance for: (CHECK ONE BOX ON EACH LINE.)

	(1) Yes	(2) No	
Transportation.....	[]	[]	25/8
Child care.....	[]	[]	26/8

VII. BARRIERS

40. To what extent, if at all, did the following potential problems represent real barriers or impediments to the implementation or effectiveness of your program during FY 85? (PLEASE CHECK ONE BOX ON EACH LINE.)

Potential Problems	Extent to Which This Was Real Barrier for FY 85 Program					
	(1) Very Great Extent	(2) Great Extent	(3) Moderate Extent	(4) Some Extent	(5) Little Or No Extent	
Low overall program funding level.....	[]	[]	[]	[]	[]	27/8
Inability to provide adequate training or education services....	[]	[]	[]	[]	[]	28/8
Poor relationships with other programs...	[]	[]	[]	[]	[]	29/8
Inadequate support services such as transportation or child care.....	[]	[]	[]	[]	[]	30/8
Client problems (such as poor health or illiteracy).....	[]	[]	[]	[]	[]	31/8
Inadequate federal guidance or assistance	[]	[]	[]	[]	[]	32/8
Other (SPECIFY): _____	[]	[]	[]	[]	[]	33/8
						*80/6

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41. Please use the space below for any additional comments you may have about the barriers you identified in question 40 or about any of the other topics covered in this questionnaire.

* THANK YOU FOR YOUR ASSISTANCE AND COOPERATION. *
* PLEASE RETURN THE QUESTIONNAIRE IN THE ENVELOPE PROVIDED. *

APPENDIX

DEFINITION OF TERMS

Work Experience--refers to both IV-C work experience and activities in the Community Work Experience Program, even though the underlying philosophies and methods of calculating hours worked in these two approaches differ somewhat. Definitions of both types of work experience appear below.

IV-C Work Experience--a well supervised, structured assignment with a public or nonprofit private employer which provides the participant with an opportunity to develop basic work habits, practice skills learned in classroom training, and demonstrate skills to a prospective employer. The state sets the number of hours worked, but the assignment may not exceed 13 weeks.

CWEP Work Experience--a placement to provide experience and training for individuals not otherwise able to find employment. Participants perform public service work with public or nonprofit private employers in return for their AFDC benefits. The number of hours worked per month is determined by dividing the AFDC grant by the federal or state minimum wage.

On the Job Training (OJT)--a placement for training in which participants are hired by the employers and engage in productive work while being trained.

Supported Work--a program which provides work experience in assignments where initially undemanding work standards are gradually increased until they approximate those of unsubsidized jobs. Support is provided through work assignments in crews of peers and through close supervision by technically qualified people who understand the work histories and personal backgrounds of their crew members.

Group Job Search--an activity in which participants, as a group, receive training in job search techniques, such as resume writing and interviewing, and, under the supervision of the instructor, identify and contact potential employers.

Characteristics of State AFDC Work Programs (Fiscal Year 1985)

State/program ^a	Geographic scope		Mandatory participation	Mandatory for recipients with children under 6 ^c	No. of participants	Funding	
	Coverage	If limited, number of counties ^b				Total	Percent federal
Alabama							
CWEP	Limited	3 of 67	Yes	No	480	\$161,382	50
Arizona							
WIN Demonstration	Limited	2 of 15	Yes	Yes	7,547	2,599,064	80
Work supplementation/ grant diversion	Statewide	•	Yes	Yes	258	640,525	88
Arkansas							
WIN Demonstration	Limited	19 of 79	Yes	Yes	9,343	1,645,938	90
California							
WIN Demonstration/IV-A	Statewide ^d	•	Yes	No	115,000	47,000,000	79
CWEP	Limited	1 of 59	Yes	No	4,430	581,436	50
Work supplementation/ grant diversion	Limited	1 of 58	No	No	98	•	•
Saturation Work Incentive Model	Limited	1 of 58	No	No	2,063	204,120	95
Colorado							
CWEP	Limited	25 of 63	Yes	No	1,016	204,282	23
Work supplementation/ grant diversion	Limited	1 of 63	Yes	No	782	126,498	•
Connecticut							
Work supplementation/ grant diversion	Limited	2 of 8	No	No	82	151,640	42
Delaware							
WIN Demonstration	Statewide	•	Yes	No	2,422	1,282,755	68
Florida							
WIN Demonstration	Statewide ^d	•	Yes	No	31,000	8,200,243	85
Work supplementation/ grant diversion	Limited	44 of 67	No	No	139	230,390	95
Georgia							
WIN Demonstration	Limited	7 of 159	Yes	No	3,398	4,717,010	90
CWEP	Limited	9 of 159	Yes	No	274	142,672	50
Idaho							
CWEP	Statewide	•	Yes	No	1,296	1,006,000	50
Illinois							
WIN Demonstration/IV-A	Statewide	•	Yes	No	120,000	18,510,193	77
Iowa							
WIN Demonstration	Limited	47 of 106	Yes	No	5,641	4,184,836	72
CWEP	Limited	47 of 106	Yes	Yes	•	368,366	50
Kansas							
CWEP	Limited	19 of 105	Yes	No	1,607	395,961	59
Job search	Statewide	•	Yes	No	2,913	546,650	50
Kentucky							
CWEP	Limited	•	No	No	28	1,538	50

**Appendix II
Characteristics of State AFDC Work
Programs (Fiscal Year 1985)**

State/program ^a	Geographic scope		Mandatory participation	Mandatory for recipients with children under 6 ^c	No. of participants	Funding	
	Coverage	If limited, number of counties ^b				Total	Percent federal
Maine							
WIN Demonstration/IV-A	Statewide ^d	•	Yes	No	4,920	2,693,664	67
Maryland							
WIN Demonstration/IV-A	Statewide ^d	•	Yes	No	19,213	5,300,000	91
WIN Demonstration ^f	Limited	7 of 24	Yes	No	1,262	1,306,505	93
Massachusetts							
WIN Demonstration/IV-A	Statewide	•	Yes	No	23,666	30,000,000	42
Michigan							
WIN Demonstration/IV-A	Statewide	•	Yes	Yes	109,000	34,701,470	77
Minnesota							
CWEP	Limited	8 of 87	Yes	No	^e	222,095	45
Nebraska							
WIN Demonstration	Statewide	•	Yes	Yes	10,044	986,067	90
New Jersey							
WIN Demonstration	Limited	13 of 21	Yes	No	16,959	13,280,000	90
Work supplementation/ grant diversion	Limited	9 of 21	No	No	600	315,000	95
New Mexico							
CWEP	Limited	1 of 34	No	No	79	75,850	78
New York							
WIN Demonstration	Limited	8 of 58	Yes	Yes ^g	14,942	^e	^e
CWEP	Limited	25 of 58	Yes	No	4,735	^e	^e
Work supplementation/ grant diversion	Limited	28 of 58	Yes	No	338	^e	^e
North Carolina							
CWEP	Limited	10 of 100	Yes	Yes	1,200	504,984	45
North Dakota							
CWEP	Limited	11 of 53	No	No	400	136,484	50
Ohio							
CWEP	Limited	8 of 88	Yes	No	2,543	1,032,662	50
Job search	Limited	8 of 88	Yes	No	909	486,292	50
Work supplementation/ grant diversion	Limited	^e	No	No	187	205,380	48
CWEP day care	Limited	1 of 88	Yes	Yes	18	122,393	90
Oklahoma							
WIN Demonstration/IV-A	Statewide	•	Yes	Yes	19,888	5,504,083	62
Oregon							
WIN Demonstration/IV-A	Statewide	•	Yes	Yes	^e	13,559,204	73
Pennsylvania							
WIN Demonstration/IV-A	Statewide	•	Yes	No	^e	18,241,318	65

**Appendix II
Characteristics of State AFDC Work
Programs (Fiscal Year 1985)**

State/program ^a	Geographic scope		Mandatory participation	Mandatory for recipients with children under 6 ^c	No. of participants	Funding	
	Coverage	If limited, number of counties ^b				Total	Percent federal
South Carolina							
CWEP	Limited	2 of 46	No	Yes ^d	142	60,820	50
CWEP day care	Limited	•	No	No	76	167,963	•
South Dakota							
WIN Demonstration/IV-A	Statewide	•	No	No	3,796	1,182,784	96
Texas							
WIN Demonstration/IV-A	Statewide ^d	•	Yes	No	57,075	14,977,608	57
Utah							
Job search	Statewide	•	No	No	8,000	319,701	30
Emergency work program	Statewide	•	Yes	Yes	850	90,000	50
Vermont							
CWEP	Statewide	•	No	No	156	113,246	50
Job search	Statewide	•	Yes	No	2,500	429,370	50
Work supplementation/ grant diversion	Statewide	•	No	No	305	256,392	95
Virginia							
WIN Demonstration/IV-A	Statewide	•	Yes	No	20,834	6,379,885	74
Washington							
CWEP	Limited	2 of 56	Yes	No	135	121,364	50
Job search ^h	Statewide	•	Yes	No	12,543	2,234,736	50
Job search ⁱ	Statewide	•	Yes	No	10,002	4,144,373	56
West Virginia							
WIN Demonstration/IV-	Statewide	•	Yes	Yes	35,997	5,447,565	79
Work supplementation/ grant diversion	Limited	•	No	No	217	•	•
Wisconsin							
WIN Demonstration	Limited	28 of 72	Yes	No	47,844	10,893,308	92

^a"WIN Demonstration/IV-A" refers to WIN Demonstration programs combined with a IV-a program - job search, CWEP, or work supplementation/grant diversion.

^bFrom Office of Family Assistance, IV-A Work Programs Status Report, 10/85 and telephone survey of state work programs.

^cPrograms listed in this column may have mandatory registration or participation for AFDC recipients with children under 6.

^dExcluding remote areas.

^eNot available.

^fThe Employment Initiatives program, a special pilot project.

^gMandatory registration only.

^hA job search program serving AFDC applicants statewide.

ⁱA job search program serving mainly AFDC recipients in areas where WIN did not operate as well as some recipients who were registered with WIN but not assigned to an activity.

Work Program Activities

Activities associated with work programs cluster in three groups based on assumptions their use implies about an individual's needs. Such activities encompass services for (1) job-ready participants, (2) needs other than skills, and (3) providing skills and education.

Services for Job-Ready Participants

Services for people needing little help to ready them for the job market include group and individual "job search" and "direct placement." Participants in individual job search look for employment largely on their own; in some programs, they report to program staff the number of employers contacted.

Group job search often includes a workshop in such job search techniques as resume preparation, interview skills, skill and interest assessment, and identifying potential employers. The workshop may be followed by use of a telephone bank, where participants call employers they have identified to seek employment. For some participants, job search workshops may serve a function more important than teaching a client how to look for a job—increasing the confidence of self-doubting individuals through peer support. We observed the final day of a San Diego workshop where participants critiqued videotapes of practice job interviews. Mutual support was evident throughout, but particularly in the participants' praise of one woman's progress in her interview. Though hesitant, her performance showed increased confidence from the first day when, the group said, she could barely explain that she was at the interview because she wanted a job.

In direct placement assistance, the program or another agency, usually the state Employment Service, seeks to place the client directly in a job. While group job search provides interaction with other participants and program staff and direct placement involves working with a program staff person, individual job search may be relatively unstructured and unsupervised. The three techniques are not mutually exclusive, but may be used in conjunction with each other.

Services for Needs Other Than Skills

Another service, work experience, introduces the person to work and some practical experience, generally without providing new skills. Programs can choose between the approaches offered by CWEP and WIN, as well as a hybrid of the two. Under the CWEP option, AFDC recipients work a number of hours that is usually determined by dividing their grants by the minimum wage. They may be assigned to this activity for unlimited amounts of time. While this can be viewed as a chance to require work

in exchange for welfare (workfare in its narrow sense), some programs using the CWEP version of work experience also see it as a way to prepare people for employment. Under the WIN Program, work experience is seen as a full-time, short-term chance to brush up on skills and work habits. Participants in WIN work experience work full time, but are limited to 13-week assignments. A program may actually practice a hybrid of the two approaches to supplement WIN funding with uncapped CWEP funding. Thus, the hours worked might be determined as in a CWEP, but the assignment limited to a specific time period.

Programs may also see work experience as a form of on-the-job training or internship in which participants can develop skills while working for a supervisor. Work experience may be combined with classroom training, e.g., a New York City project alternated weeks of training in office skills with work experience in city agencies.

Most CWEP programs have been run on a small scale. However, there are some large CWEP projects, including one in New York City where about 3,000 AFDC recipients, joined with about 12,000 General Assistance recipients in a similar program, participate at any one time. This program illustrates the massive logistics of operating such a large scale program, which to some extent necessitates an impersonal nature. The program calls in about 18,000 people a month, placing them in assignments through a highly organized and regimented process. People assemble in a large room in a downtown welfare office; they may present program staff with reasons they cannot work. Representatives of agencies offering CWEP positions occupy rows of booths and interview AFDC recipients, accepting them or rejecting them immediately.

The use of work experience can be controversial, raising several questions. Some critics charge that CWEP workers displace regular workers, especially since work experience positions must be in public or private nonprofit agencies where tight budgets make "free" workers attractive. The CWEP approach is used most often in rural areas within states,¹ rather than in urban areas where opposition from unions, welfare advocacy groups, and municipal officials may be strong. For example, Pittsburgh and Philadelphia declined to participate in Pennsylvania's CWEP for these reasons. Some large cities, notably San Diego and New York City, do have CWEPs, however.

¹Demetra Smith Nightingale, *Federal Employment and Training Policy Changes During the Reagan Administration: State and Local Responses* (Washington, DC: The Urban Institute, 1986), p. 69.

Critics also claim work experience is unfair to the people who perform work of value, but are not compensated as other workers are. MDRC's studies of several programs that included work experience concluded the jobs were not "make work," but involved needed services.² Some positions actually may be the same as those of regular employees who receive pay higher than the minimum wage, the rate by which CWEP hours usually are calculated. Some programs, however, use the average or prevailing wage for a position rather than the minimum wage to calculate work hours.

Services Providing Skills and Education

The third group of services assumes participants need a skill, a credential such as a high school diploma or GED, or basic education. Participants may enter education and training services because the program's assessment identifies a need or in some cases because the client has chosen them. These services are offered in a variety of ways. Training may be in a classroom or on-the-job. The program itself may pay for the training or enrollees may be referred to training under the Job Training Partnership Act or the vocational education system.

On-the-job training is sometimes subsidized by the recipient's welfare grant. This mechanism, called grant diversion, is now permitted under the work supplementation authority. Our survey identified 14 states that have begun operating work supplementation/grant diversion projects in the past few years. An MDRC study of grant diversion projects in six states found that these programs encounter problems reaching large numbers of people. Although grant diversion was appealing as a funding mechanism for OJT, the programs still had problems developing jobs in the private sector, especially in finding positions for individuals with serious barriers to employment.³

Another form of OJT often subsidized by the participant's grant is "supported work," which combines work experience with extensive counseling and group support. A multistate supported work experiment begun in the 1970's was found to benefit female long-term AFDC recipients with school-age children. (Those with children under age 6 were not

²Judith M. Gueron, Work Initiatives For Welfare Recipients: Lessons From A Multi-State Experiment (New York: Manpower Demonstration Research Corporation, 1986), p. 25.

³Michael Bangser, James Healy, and Robert Ivry, Welfare Grant Diversion: Lessons and Prospects (New York: Manpower Demonstration Research Corporation, 1986), pp. 53-54.

included in the demonstration.⁴ These programs are expensive to operate, however, and largely are being phased out. Our review found supported work being offered in Massachusetts, West Virginia, California, Connecticut, and New York.

Education can mean anything from one-on-one tutoring in basic reading skills to a college education. A common strategy in programs we visited was to encourage participants to complete a GED program. In Oklahoma, adult education classes leading to a GED were held at the welfare office for participants' convenience. Some programs, however, were finding people with reading levels far below what the classes required. A few were experimenting with individual tutoring to try and raise skills quickly. In one South Carolina community, local college students acted as tutors. New York City contracted with a professor at Columbia University's Teachers College to upgrade reading and math skills in 6 weeks.

Staff of eight programs we visited said they would accept attendance at a community college or 4-year college as participation. The programs did not necessarily pay for the education, but would help participants apply for state or federal aid, such as Pell Grants, while also supplying support services. We also found programs, however, that did not count college attendance as participation, believing that AFDC benefits should not subsidize lengthy degree programs.

⁴Stanley H. Masters and Rebecca Maynard, The Impact of Supported Work On Long-Term Recipients of AFDC Benefits (New York: Manpower Demonstration Research Corporation, 1981), pp. 25, 126.

WIN Demonstration Activities

State	Activities offered/Percent of clients participating									
	Work exp.	OJT	Supp. work	Voc. skills	Rem. educ.	Post-HS	Ind. JS	Grp. JS	Dir. Place	Other
Arizona										
Offered	Y	N	N	Y	Y	Y	Y	Y	N	Y
% Received	.4			8	3	4	32	21		6
Arkansas										
Offered	Y	Y	N	N	N	N	Y	Y	Y	N
% Received	1	1					27	32	3	
California^a										
Offered	N	N	N	N	N	N	Y	Y	Y	N
% Received							87	100	^b	
Delaware										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	1	.1		5	6	.1	5	.4	43	
Florida										
Offered	N	Y	N	Y	Y	Y	Y	Y	Y	N
% Received		^b		^b	^b	^b	^b	^b	^b	
Georgia										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	4	3		^b	^b	^b	36	41	^b	
Illinois										
Offered	Y	N	N	Y	Y	Y	Y	Y	N	N
% Received	7			3	8	3	75	84		
Iowa										
Offered	Y	N	N	Y	Y	Y	Y	Y	Y	N
% Received	11			^b	2	^b	22	29	^b	
Maine										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
% Received	2	6		5	8	9	17	4	6	2
Maryland										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	1	1		^b	^b	^b	3	4	83	
Maryland (Employment Initiatives)										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
% Received	28	11		31	18	^b	^b	57		28
Massachusetts										
Offered	N	Y	Y	Y	Y	Y	Y	Y	Y	Y
% Received		.3	7	14	7	15	31	6	5	16
Michigan										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	^b	^b			^b	^b	^b	^b	^b	
Nebraska										
Offered	N	N	N	Y	Y	Y	Y	Y	Y	Y
% Received				^b	^b	^b	^b	^b	^b	^b

**Appendix IV
WIN Demonstration Activities**

State	Activities offered/Percent of clients participating									
	Work exp.	OJT	Supp. work	Voc. skills	Rem. educ.	Post-HS	Ind. JS	Grp. JS	Dir. Place	Other
New Jersey										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	3	2		1	^b	1	42	22	16	
New York										
Offered	Y	Y	Y	Y	Y	N	Y	Y	Y	N
% Received	3	3	3	20	^b		^b	^b	47	
Oklahoma										
Offered	Y	N	N	N	Y	N	Y	Y	Y	N
% Received	10				8		58	24	1	
Oregon										
Offered	N	Y	N	Y	Y	Y	Y	Y	Y	N
% Received		^b		^b	^b	^b	^b	^b	^b	
Pennsylvania										
Offered	Y	Y	N	Y	Y	N	Y	Y	Y	N
% Received	^b	^b		^b	^b		^b	^b	^b	
South Dakota										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	17	4		^b	4	^b	^b	^b	12	
Texas										
Offered	N	Y	N	N	N	N	Y	Y	Y	N
% Received		^b					^b	^b	^b	
Virginia										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	12	^b		^b	^b	^b	78	15	^b	
West Virginia										
Offered	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
% Received	13	1	4	^b	^b	^b	1	2		2
Wisconsin										
Offered	Y	Y	N	Y	Y	Y	Y	Y	Y	N
% Received	2	1		^b	2	^b	17	23	100	

Y Yes

N No

^aThese activities were offered by the program preceeding the GAIN program, which did not begin until 1986.

^bParticipation information not available.

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